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Daily Report

Central Eurasia

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Daily Report
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FBIS-SOV-95-043 *6 March 1995*

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Nagorno-Karabakh Mediation Allegations Dismissed

LD0303204195 Moscow INTERFAX in English 1841 GMT 3 Mar 95

[FBIS Transcribed Text] Moscow, Mar 3 (INTERFAX)—The information and press department of the Russian Foreign Ministry has described as "deserving regret" the allegations by a number of Azerbaijani officials with respect to Russia's mediation efforts in the Nagorno-Karabakh settlement.

"It is widely known that with its aid the ten-month-long cease-fire was achieved. It is no secret that the heads of all states at the OCSE Budapest summit regarded Russia's contribution in the settlement as decisive," the department said in its statement published Friday.

According to the document, "if the talks on an agreement to end the armed conflict are at a deadlock, the root of the problem is the two sides' noticeably tougher positions, rather than mediators."

The department regarded as "absolutely inappropriate" the statement that Russia was not interested in a settlement and tries to pull the process out from under the OCSE auspices. "Could they be seeking to cover up unrealistic intentions, which hamper movement forward?" the ministry conjectured.

"Allegations of this kind pronounced by state officials are counterproductive. They hinder a real settlement to this prolonged and tragic conflict," according to the statement.

Uzbek President On Aral Sea Problems, Combined Efforts

LD0303134495 Tashkent Radio Tashkent Network in Uzbek 0600 GMT 3 Feb 95

[FBIS Translated Text] The president of our country [Islam Karimov] left today for a meeting of presidents of the Central Asian states. At Tashkent Airport he said the following:

[Begin Karimov recording] Once again I would like to avail myself of this opportunity to congratulate all of our people and people in general on our great Ramadan festival of Id al-Fitr, and give a thousand thanks to the creator for leading us to these joyful days. I think that people will understand it in the right way if, above all, I wish everyone living on our Uzbekistan land happiness, a fitting and peaceful life for every home, and peace and stability for our homeland. Everyone who lives here deserves these greetings.

If we were to describe the basic aims and substance of today's visit then I would say they constitute our efforts to ease the tragedy and solve the problems of the Aral Sea.

You are all aware that this is the third meeting of the peoples and states located around the Aral Sea coast; a the meeting of heads of state and government. These meetings were held in Kzyl-Orda, then Nukus, and now Tashauz in Turkmenistan. The heads of these five Central Asian states will gather there and will first of all, above all else discuss the Aral Sea problem and try to take new steps on the path toward resolving this problem.

But why new steps? We recently established a council of these five states with the aim of resolving the issue of the Aral Sea tragedy. And the World Bank acknowledged our practical efforts to resolve this problem and decided to allocate approximately $40 million to Uzbekistan, Kazakhstan, Turkmenistan, Kyrgyzstan, and Tajikistan for their efforts to tackle the issue of the Aral Sea tragedy.

But there is one condition on which they agreed to allocate these money, these large funds: they want us to step up our own efforts.

We realize that if we do not take the initiative no one from outside will help us. Therefore, the first aim is to save the Aral Sea. For the whole of our lives we are under an obligation to people living in the Aral Sea region, and above all to our own people. We must draw up practical plans to ease the present grave situation. We need to plan ahead. And only after that can we expect assistance from abroad. The allocation of these $40 million is a reality, it is happening for real, and if we do not take it or do not try to take it then there will be no excuse.

Another matter: we need to sit down and talk about our plans for 1995 and critically appraise our actions. We need to move from talk of every sort and kind, talk from the rostrum, to practical deeds.

And another thing: recently I expressed an idea in my speech at the first session of the newly elected parliament. We are living in the single land of Turkestan. We need to bring the people who live on this land together, we need to be united and to tackle all the problems facing us together, no matter where we live, be it Turkmenistan, Kyrgyzstan, Kazakhstan, Tajikistan, or Uzbekistan. This land as a whole is our land, the land of all of us. And the times urge us to combine our efforts and stand together as one for the future and happiness of this land.

Therefore, the second question I am going to raise at today's meeting, no matter whether they like it or not, is this: Now, dear friends, let us get down to business. What is going on abroad, across the borders? We need to defend ourselves, because we have common ancestors and one religion, one language, one culture, and one destiny. And if one calls oneself a patriot one must prove it in practice. And I am forced to ask how long we are going to continue to ignore each other, each in our own corner? [end recording]

Central Asian Leaders Discuss Aral Sea Problems

LD0403150695 Moscow INTERFAX in English 1439 GMT 4 Mar 95

[FBIS Transcribed Text] ASHGABAT, Mar 4 (Interfax)—The presidents of former Soviet Central Asian republics met on Friday to discuss the environmental problems of the Aral Sea and the surrounding area.

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The presidents, who convened in Tashauz, Turkmenistan, decided to set up a special bank, to be called Aral Ecobank, to keep money allocated for joint projects, which include measures to fight mud slides and ensure more economical use of water from the Amu Darya and Syr Darya rivers.

The leaders also considered ways of raising funds for the International Foundation for the Aral Sea, instituted earlier, and re-elected Kazakhstan President Nursultan Nazarbayev its president, informed sources told Interfax.

The next Central Asian summit is due to be held in Nukus, Uzbekistan, on September 18-20 and is expected to be also attended by representatives from other countries, including U.S. Vice President Al Gore.

Various international bodies have given a total of $39 million for programs to salvage the inland sea. Recently Israel expressed the desire to join a Central Asian body coordinating Aral Sea projects and promised to pay an entrance fee of $3 million.

Earlier the International Foundation member states, the ex-Soviet republics of Turkmenistan, Uzbekistan, Kyrgyzstan, Tajikistan and Kazakhstan, agreed to spend 1 percent of their national income on joint Aral Sea projects.

ITAR-TASS Carries Press Review for 4 Mar

LD0403084095 Moscow ITAR-TASS in English 0747 GMT 4 Mar 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow March 4 TASS—Today's Russian newspapers centre on funeral rites over well-known TV journalist Vladislav Listyev murdered at the entrance to his apartment house in the evening of March 1 and on reasons for his death.

"Hundreds of millions of people grieving over the death of Vladislav Listyev would like to know what has happened after all," the NEZAVISIMAYA GAZETA writes.

Expressing doubts that the crime will be exposed, it states that "Moscow detectives have not succeeded in exposing a single contract murder and in finding the tracks of a single hired hitman". "The assassination of Vladislav Listyev has become the 281st in Moscow since the start of this year," the daily notes. "There were 1,820 of them last year."

Expressing various versions on reasons for this crime, many newspapers concur in the opinion that the murder was masterminded by crime families controlling a great part of Russian business.

The SOVETSKAYA ROSSIYA newspaper notes in this connection: "The reason for the crime should be looked for in commercial, producer and managing rather than in journalistic pursuits of Vladislav Listyev".

He was not engaged in "pure" politics as a journalist in the recent past. The newspaper stresses that several entertainment commercial programmes were another side of his professional activities.

Listyev recently became managing director of a new public Russian TV network which is being set up now. He "already had and was duty-bound to have, in future, a direct connection with TV revenues from advertising and other activities". The daily surmises that Listyev was in the way of somebody from shadow business structures.

Listyev said in his last interview with the TRUD newspaper: "I said farewell to politics, since I detest and abhor all this".

According to a version expressed by the IZVESTIYA newspaper, "Russian flourishing organised crime committed contract murders before March 1, 1995 only for its inside wars which helped to maintain the shadow economy with lethal non-economic methods".

Starting from this time, the daily writes, "the mafia committed an assassination, almost for the first time, of an outsider occupying a high and prominent post in the country".

At the same time, the newspaper calls attention to the fact "how the murder of the well-known journalist at the entrance to his own house is used in the country", pointing to possible reshuffling at the top echelon of power and sackings of some high-ranking officials.

The KOMSOMOLSKAYA PRAVDA newspaper writes on this occasion: "Those who gathered in front of the Ostankino TV station, and people all over the country have only two versions on this terrorist act."

Some claim that the killing was purely "monetary", while others are sure that the assassination is a political action well-planned "at the top".

The newspaper quotes the opinion of an unidentified source that the Listyev murder will trigger off "a sharp aggravation of the election campaign".

In turn, the army newspaper KRASNAYA ZVEZDA notes: "Society has felt that the reign and arbitrary actions by bandits have brought the country to a critical state. Everybody—from the president to ordinary people—expressed their viewpoint: this anarchy must be stopped".

Touching on the topic of law and order, IZVESTIYA writes: "Citizens of our country have many reasons to be afraid of a police state".

The newspaper compares Listyev's murder with the assassination of Kirov (eds: head of the Leningrad Communist Party organisation in the early 1930s who almost replaced Stalin at the post of Communist Party general secretary) committed during Stalin's times when people's grief was exploited not to track down real assassins but to unleash mass terror.

"The main question of our life now is: how to move to a law-governed democratic and civil society, preserving stability of the state and foundations of public law and order?" asks the ROSSIYSKIYE VESTI newspaper.

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U.S. Consul-General Barred From Visiting Perm Factory

LD0303120195 Moscow ITAR-TASS in English 1153 GMT 3 Mar 95

[By ITAR-TASS correspondent Leonid Bagdatiev]

[FBIS Transcribed Text] Perm March 3 TASS—Jack Segal, U.S. consul-general in the Urals region, has failed to visit the Permskie motory (Perm engines) industrial enterprise, which is a joint-stock company. The security service of the enterprise did not allow him to see production shops on the grounds that he had submitted an application too late.

Jack Segal came here at the invitation of the Perm property fund to visit the industrial enterprises, which need investments for the implementation of retooling projects, turning out new types of products and the conversion of military production. According to Segal, some two dozens of projects from Yekaterinburg and other industrial centres of the Urals region have effectively overcome bureaucratic barriers in the United States with the help of the Urals consulate and are now being financed.

At the Permskie motory plant Segal hoped to see the process of the assembly of ground gas-turbine installations on the basis of the PS-90 aircraft engine. The consul-general left Perm after cancelling a meeting with the regional administrtion, Yuriy Stupnikov, chairman of the Perm property fund, told ITAR-TASS.

Army Paper Cites Perry on Retaining, Modernizing N-Triad

MM0303145395 Moscow KRASNAYA ZVEZDA in Russian 3 Mar 95 p 3

[Manki Ponomarev rejoinder: "Thanks for Being Frank, Mr. Perry!"]

[FBIS Translated Text] I am sure that everyone has seen how even the most cautious people have no qualms about revealing their innermost secrets when they see that they are among friends. Pentagon boss William Perry is no different from anyone else. The head of the U.S. military department has long been well known for the fact that he uses language primarily not to reveal his thoughts but to conceal them. But when he found himself in the company of participants in a conference of the American Legion—a distinctly conservative veterans' organization with close ties to the military-industrial complex—he evidently felt at home right away and, contrary to habit, poured out his heart.

So what did Perry tell his astounded listeners? According to an ITAR-TASS report he stated that the "Soviet nuclear complex (did he say Soviet?) is like the hydra, the many-headed monster in Greek mythology: It is pointless trying to cut off its warheads, you have to destroy the monster itself, otherwise new warheads will appear."

This monster, in the Pentagon leader's words, is nurturing in its womb the possible "rebirth of the nuclear threat." The United States has already created three tiers of protection against it in recent years. The first, he said, was the program of aid to the former Soviet republics (now they are former Soviet) in dismantling and destroying the nuclear arsenal—the so-called "Nunn-Lugar program." According to figures cited in the foreign press the implementation of this program has already led to the scrapping of 2,000 Russian nuclear weapons. Maintaining the U.S. nuclear arsenal in a state of readiness was described as the second tier. Approximately $7 billion is being requested for this purpose alone in fiscal 1996. The third and final tier is the development [razrabotka] of antimissile defense systems, something which even Republican congressmen on Capitol Hill who are usually very favorably disposed toward any military programs have spoken out against, because they understand clearly the destabilizing effect of such systems on the strategic situation in the world.

Perry's revelations at the American Legion conference caused all the more surprise because they contrast sharply with the U.S. side's official statements at the nuclear arms talks. That point was stressed in particular by a Russian Foreign Ministry spokesman who commented on the Pentagon chief's remarks. He also noted that Russia has resolved and will continue to resolve the whole range of nuclear arms reduction questions, along with other questions of bilateral relations with the United States and other countries, on the basis of reciprocity and equality.

This, however, will hardly suit Perry, who also tried to answer the question of how he is thinking of dealing with the "many-headed monster." His remedy was simple: "The U.S. nuclear triad must be retained and modernized"....

The long years of the Cold War and the nuclear arms race, it seemed, had once and for all convinced both our people and the American people and our leaders and America's leaders not only of the complete futility but also the extreme danger of "simple remedies" of this kind. However, there are still people around who, in a fit of candor, presume to challenge this hard-won conclusion. Well maybe that is even a good thing. At least we will know in the future whom we are dealing with and what we can expect from them.

'Complete Trust' Over START Seen Under Threat

MK0303111095 Moscow KOMMERSANT-DAILY in Russian 3 Mar 95 pp 1, 4

(Commentary by Aleksandr Koretskiy: "United States Inspects START-1 in Russia. Trust But Verify"]

[FBIS Translated Excerpt] Revolution continues in Russia, instability and chaos reign, and there is a probability of the collapse of reform and reversion to a militarist regime hostile to the West, for which reason it is necessary as soon as possible to put an end to the

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Soviet nuclear complex, Pentagon chief William Perry stated the other day. Remarkably, in order to fight this complex, to his mind, one must use the same methods used in fighting the Hydra. The time chosen for making such speeches seems to be wrong—they coincide with the start of the verification of Russia's compliance with the START-1 treaty. However, Perry's revelations were actually supported by a statement by one of the CIA leaders that the United States had, even before that, suspected the Russians of possible violations of the START treaties. However, it was Reagan who used to be fond of saying: "Dovery, no provery" [misspelt as transliterated] ["Trust but verify"]. This commentary is by Aleksandr Koretskiy. [passage omitted]

At 0900 on 2 March, [Brigadier-General] Govan's group handed a notification to Russia's representatives stating which facility the group would like to inspect in the next nine hours. The choice fell on the Strategic Missile Forces unit near Kostroma. Preparations for the trip were completed by 1000 hours (the organization of the inspection trip is completely the responsibility of the host side, including the organization of leisure), and the group set off to Kostroma. Refusing to comply with inspection requests carries the risk of accusations of a START-1 treaty violation. However, the atmosphere of complete trust is now under threat. The point is that, without waiting for the inspection results, CIA Deputy Director Douglas MacEachin suspected Russia of violating the principles of the START treaties. Speaking in Senate the other day, he voiced anxiety that Russia and Ukraine, according to the CIA, are developing a new strategic missile with characteristics comparable with MIRVed (multiple independently targetable reentry vehicle) missiles. That is to say, the accusation covers a lot of ground because START treaties ban both the development of fundamentally new missiles (something Moscow is suspected of) and the development of technologies for building MIRV warheads. The reasons for such unexpected attacks are plain to see: The self-same Perry points out that everything will be all right if the United States goes to work to create a national ABM defense system. Which contradicts the 1972 ABM treaty of course.

U.S. Inspectors Check Buryat Nuclear Facilities

LD0303143895 Moscow ITAR-TASS in English 1411 GMT 3 Mar 95

[By ITAR-TASS correspondents Mikhail Shevtsov and Anatoliy Yurkin]

[FBIS Transcribed Text] Moscow March 3 TASS—The two teams of U.S. inspectors, which arrived on March 2nd in Ulan-Ude, the capital of the Buryat Republic, have begun to check the nuclear facilities of the Russian strategic missile forces in keeping with the START-1 treaty. ITAR-TASS has today learned from the information and press directorate of the Russian Defence Ministry that the American military experts have received permission to check some selected points in this area. They include a base near Irkutsk, where a unit armed with mobile missile launchers is located, as well as the Yasnaya missile base 200 kilometres to the east of Chita, which was closed down even before the START-1 took effect.

The American inspection team, which arrived in Moscow on Wednesday, March 1st, is continuing its work here. U.S. military experts are now inspecting a missile base near Kostroma.

The Russian Defence Ministry reports that a Russian inspection team, led by Major-General Vyacheslav Romanov, chief of the General Staff's Centre for Lessening the Nuclear Menace, will shortly leave for the United States.

Conclude Kostroma Missiles No Longer Aimed at U.S.

LD0303151495 Moscow ITAR-TASS in English 1451 GMT 3 Mar 95

[By ITAR-TASS correspondent Vyacheslav Guskov]

[FBIS Transcribed Text] Kostroma March 3 TASS—The Russian strategic nuclear missiles, deployed near Kostroma, are no longer aimed at the United States. This conclusion was drawn today by the American military inspectors who have spent two days checking the area where Russian mobile railway launchers are deployed. The American experts came to Russia to check the observance of its commitments under the treaty to reduce the number of offensive nuclear weapons.

The inspectors were very much surprised by the fact that the strategic multiple warheads missiles were manned mainly by pretty young Russian girls. The latter were heartily congratulated by their male counterparts a week ago, when the Russia celebrated the homeland's Defender Day. And now the American experts were able to congratulate them on the upcoming Women's Day—March 8th.

U.S. Experts Complete Checking Russian Launchers

LD0503151095 Moscow ITAR-TASS in English 1449 GMT 5 Mar 95

[By ITAR-TASS correspondent Vyacheslav Guskov]

[FBIS Transcribed Text] Kostroma March 5 TASS—A group of US military experts completed a three-day check of the Russian mobile strategic launchers mounted on railway cars in the city of Kostroma on the Volga and left for Moscow on Sunday [5 March].

TASS learned from reliable sources that US experts were also granted a possibility to verify that Russian strategic nuclear missiles are no longer targeted on the United States as was envisaged in an agreement between the Russian and and US leaders.

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The inspection was carried out upon a mutual agremeent of the parties to verify the compliance with the START-1 treaty. A group of Russian experts left on Saturday on a similar mission for the United States.

Chernomyrdin Meets With British Prime Minister, Labor Leader

LD0203125495 Moscow Russian Television Network in Russian 1100 GMT 2 Mar 95

[Video report from London by correspondent A. Gurnov; from the "Vesti" newscast]

[FBIS Translated Text] [Announcer] The official visit to Britain by Viktor Chernomyrdin, chairman of the Russian Government, continues. Today Chernomyrdin is meeting with Tony Blair, leader of the Labor Party and leader of the opposition.

[Gurnov] London is the first capital to which Moscow has sent such a high-ranking delegation after the Chechen events, which distanced Russia to a certain extent from international affairs. It is important to us at this time that this should not have an effect on the general support for Russian reforms. So far the visit shows that the West does not intend to punish Russia with economic sanctions. Even more, the British have prepared a gift for the visit in the form of a one-year deferment of our $130 million debt for interest on export credits. Chernomyrdin brought the British a check for $100 million to clear a debt to the London Club. This mainly concerns old, Soviet debts to the West which total $120 billion. Russia has specifically taken responsibility for these debts.

The British are ready to continue special partnership relations with Russia. They have announced the start of new multimillion cooperation projects and have taken a wise stand on Russia's full participation in the G7 forum and our attitude to the expansion of NATO.

Meets Opposition Leader Blair in London

LD0203195495 Moscow ITAR-TASS World Service in Russian 1324 GMT 2 Mar 95

[FBIS Translated Text] London, 2 Mar—A meeting took place in the British Parliament building today between Viktor Chernomyrdin, chairman of the Government of the Russian Federation, and Tony Blair, leader of the opposition, head of the Labour Party of Great Britain. The head of the Russian Government is on an official visit to Great Britain.

During the meeting there was discussion of the most important European issues. An exchange of opinions took place on bilateral Russian-British relations. The subject of the situation in Chechnya was also touched upon.

Earlier, on Wednesday [1 March], the head of the Russian Government held a meeting with John Major, prime minister of Great Britain and leader of the ruling Conservative Party.

Meets British Trade, Industry Minister

LD0203195395 Moscow ITAR-TASS in English 1945 GMT 2 Mar 95

[FBIS Transcribed Text] London March 2 TASS—Russian Prime Minister Viktor Chernomyrdin, currently on a visit to London, met on Thursday [2 March] with the British Secretary of State for Trade and Industry, Michael Heseltine. The meeting was attended by representatives of British companies operating in Russia.

Addressing the gathering, Chernomyrdin described Great Britain as one of Russia's major economic partners. Over the many centuries of trade relations between the two countries, they have accumulated considerable experience in business cooperation, developed mutually acceptable rules and traditions of business communication, created a solid treaty basis.

The Russian prime minister pointed to quite a high level of mutual trade turnover, which exceeded 4 bln [billion] dollars last year. This is a reassuring factor, he noted.

Also discussed at the meeting was the commercial debt of Russian economic entities to British firms, which is presently estimated at some 250 mln [million] dollars. Chernomyrdin promised to speed up the settlement of this issue within the framework of the negotiations currently under way. To solve it, government-guaranteed promissory notes are to be issued shortly, he said.

Chernomyrdin Quest Said Undermined by Chechnya

MM0303120895 Moscow IZVESTIYA in Russian 3 Mar 95 p 3

[Report by Aleksandr Shalnev: "Viktor Chernomyrdin Sought Requited Love in City of London"]

[FBIS Translated Text] London—Viktor Stepanovich Chernomyrdin declared his love for London or, to be more precise, for the City of London, that square mile which has such a high concentration of successful banks, insurance institutions, and finance companies that without false modesty the City could call itself the financial capital of the world.

"They know how to make money in this city," the Russian premier said. "We have a special interest in that.... We want to learn to love the City."

It is not hard to learn to love it. The question is whether the City loves Russia. At the moment that love is not requited. That is what the premier tried to achieve: He came here with a $100-million check from the Vneshekonombank which was solemnly handed to the Bank of England. This is our first interest payment on the total debt of $0.5 billion run up by the former Union.

For us this is a substantial sum, of course, but for the City it is peanuts. But you have to agree with the premier when he said in a speech at the Bank of England that this

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payment is "undoubtedly evidence of Russia's desire to strictly meet its commitments to its creditors."

But for the City, I am sure, this is not a lot of money. A city which knows how to make money and likes doing it needs something else—namely, the appropriate investment climate in Russia. At the moment, however, everyone you talk to gives you the same refrain: This climate does not exist, all that we have are promises to create one. But the old adage that "a gentleman's word is his bond" has almost gone out of existence in the City too and the word of a gentleman from Russia is even less likely to be taken by anyone today as a binding commitment to pay. Different guarantees are needed—legislative ones.

That is what British business circles sought from Chernomyrdin as they besieged him during the few days of the premier's visit to London. Among the meetings that the Russian head of government held here one stands out in particular: The private lunch on Thursday. The main feature of the lunch was not the elaborate menu, of course, but the fact that it was organized by the financial corporation Kleinwort Benson. Not very many people know, I think, that this corporation acts as a kind of authorized agent of Gazprom: It is this company which consults the premier's alma mater on the question of how to float the block of 9 percent of Gazprom's shares in the world market, a block which will presumably be valued at many tens if not millions of dollars. This is real business. The rest can for the time being be consigned to the category of long-term business at best.

Of the $800 million in credits released so far $71 million in all are destined for the plan to modernize the Moscow city telephone network.

Speaking at the Bank of England, Chernomyrdin quoted the English proverb "Where there's a will, there's a way," adding: "May this be the motto of our meetings in London." The City has the way, an enormous number of ways, furthermore: If even the collapse of Barings, the oldest commercial bank, which almost overnight lost $1 billion because of the speculation of a single broker, can be absorbed by the financial capital of the world in just 36 hours, you can imagine the kind of money they are dealing with here. As for the will...there I have my doubts.

That will was really undermined by Chechnya. The British were impressed by the figure which, I was told, Chernomyrdin cited during a private conversation: Russia's losses from the events in Chechnya are assessed at 4-5 trillion rubles.

Hence it is Chechnya and its aftermath that are causing doubts about whether to yield to the fairly powerful—albeit behind the scenes—pressure that Moscow is trying to exert on the G-7 countries, including Britain, of course, to ensure that at the next meeting of the world's leaders in Halifax (Canada) in the summer, Russia becomes the full-fledged eighth member.

In conversation with me Chernomyrdin, who had met with John Major several hours earlier, expressed the confidence that "Britain will support us in this matter."

As well-informed sources told me, Nuclear Power Minister Viktor Mikhaylov, who accompanied the premier on his visit, is coordinating with the British a joint project whereby our uranium which is processed here could be used at local power stations. The project is massive: It is worth $100 million a year for the next 10 years.

Chernomyrdin Ends Visit to London, Leaves for Paris

LD0303132295 Moscow ITAR-TASS World Service in Russian 1245 GMT 3 Mar 95

[By ITAR-TASS correspondent Nikolay Pakhomov]

[FBIS Translated Text] London, 3 Mar (ITAR-TASS)—Russian Prime Minister Viktor Chernomyrdin flew to Paris today at the end of his three-day official visit to the British capital.

In a statement released before his departure, the Russian prime minister thanked the government and people of Great Britain for their consistent support for Russian reforms; the results of the talks in London were fresh confirmation of this. In an atmosphere of mutual understanding and frankness, the statement says, we discussed the present state of and prospects for expanding Russian-British cooperation in various spheres, and charted ways of jointly resolving the questions which are arising in economic relations. Fresh prospects, and quite good ones, the Russian prime minister thinks, in the sphere of developing interaction between Russia and the international finance organizations emerged during the visit.

Russia and Great Britain, the statement goes on, are successfully cooperating in the international arena, including in settling such acute conflict situations as the crisis in the former Yugos'avia. There is also a broad field for constructive cooperation in the problems of Europe-wide security, and in many issues of a global dimension.

Touching on the forthcoming festivities in London and Moscow to mark the anniversary of the victory over fascism and the end of World War II, V. Chernomyrdin expressed his conviction that these ceremonies will be an important event in the lives of the peoples of Russia and Great Britain, confirmation of their common adherence to the cause of peace and stability in Europe and throughout the world.

The Russian prime minister will make a two-day working visit to Paris.

Arrives in Paris for Two-Day Visit

LD0303133595 Moscow ITAR-TASS World Service in Russian 1325 GMT 3 Mar 95

[By unidentified ITAR-TASS correspondent]

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[FBIS Translated Text] Paris, 3 Mar—Russian Prime Minister Viktor Chernomyrdin arrived today in Paris on a two-day visit on the invitation of French Prime Minister Edouard Balladur.

Meets Balladur To Discuss Bilateral, European Issues

LD0303223595 Moscow ITAR-TASS World Service in Russian 2117 GMT 3 Mar 95

[By ITAR-TASS correspondents Gennadiy Yezhov and Mikhail Kalmykov]

[FBIS Translated Text] Paris, 4 Mar—Viktor Chernomyrdin, chairman of the Government of Russia, and French Prime Minister Edouard Balladur, discussed in Paris on Friday evening the problems of bilateral cooperation and international politics. A working dinner was held in Matignon Palace—the residence of the head of the French Government.

The head of the Russian Government informed his interlocutor about the course of reforms and the political situation in Russia. Russia is adhering firmly to the chosen course, Chernomyrdin said. The choice made in favor of reforms and democracy was confirmed clearly in the Russian president's recent message to the Federal Assembly, he noted.

The head of the Russian Government pointed out that the development of relations of trust with France and the formation of mechanisms of close economic and political cooperation were now a priority of Russian foreign policy.

The government report that was circulated by the press service notes that during the talks, Chernomyrdin warned of the danger of Europe splitting anew, of old dividing lines being preserved here and new ones appearing. Attempts to upset the balance of influence in the North Atlantic region, to urge on the expansion of NATO to the detriment of joint efforts to form a new model for the Europe of the 21st century, may jeopardize the positive achievements of the last few years. He said that it would be sensible to announce a moratorium on any kind of "geographical displacement."

Views Problems in EU Ties, Departs for Moscow

LD0403220295 Moscow ITAR-TASS in English 2141 GMT 4 Mar 95

[By ITAR-TASS correspondents Gennadiy Yezhov, Mikhail Kalmykov, and Andrey Krasnoshchekov]

[FBIS Transcribed Text] Paris March 4 TASS—"I will tell you frankly, not all aspects of the European Union's attitude towards Russia satisfy us," Russian Prime Minister Viktor Chernomyrdin said at Paris' international airport before flying to Moscow on Saturday.

Speaking about Russian-European relations, Chernomyrdin pointed out that "there is of course an objective factor hampering our ties," but it cannot fully explain "the entire chain of obstacles" on the part of the European Union with regard to Russia. "We believe it is unfair," he said.

The position of France, now holding presidency in the European Union, is more constructive and positive, he added.

The two countries are now planning a series of meetings between the foreign ministers of Russia and France. On March 6, the troika (the foreign ministers of Germany, France and Spain) will be in Moscow. "We believe that then, or at the latest in April, during the recently planned meetings in Brussels, it will be possible to sign a temporary trade agreement between the EU and Russia," he said.

On the other hand, the Russian side should objectively assess its own capabilities. "We need to work harder and resolve the existing problems quicker," he said.

As President Mitterrand said "Europe cannot do without Russia," Chernomyrdin said.

Russia is a European country and we should not raise new barriers or try to "tear us apart from one side or another," the premier said.

At the same time, Chernomyrdin described relations between Russia and France as "sound."

In an interview with ITAR-TASS before he boarded his plane to fly back to Russia after an intensive two-day official visit to France, the premier said that "I am satisfied with the results of the talks. We reached mutual understanding with our French partners and established extremely useful contacts with representatives of business circles."

During the visit, Chernomyrdin met with French President Francois Mitterrand, Prime Minister Edouard Balladur, Managing Director of the International Monetary Fund Michel Camdessus and Paris Mayor Jacques Chirac, as well as members of the French business community.

Speaking about economic relations between the two countries, Chernomyrdin pointed out that the talks gave him the impression that French entrepreneurs want to work with Russia. The two sides discussed large-scale projects and France's participation in them.

In particular, Russia and France pledged to go along the path of cooperation in the gas industry.

Meeting French business people earlier today, Chernomyrdin said that "Russia is seeking equal relations of partnership and mutually advantageous economic ties with the West."

The Russian Government believes that stabilisation in Russia can be achieved only with the growth of private, including foreign investments in the Russian economy.

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UK, France Say Solve Chechen Problem Faster

LD0403193295 Moscow ITAR-TASS in English 1850 GMT 4 Mar 95

[By ITAR-TASS correspondents Gennadiy Yezhov, Mikhail Kalmykov and Andrey Krasnoshchekov]

[FBIS Transcribed Text] Paris March 4 TASS—The Chechen conflict was one of the main topics on the agenda of Russian Prime Minister Viktor Chernomyrdin's two-day official visit to France.

"They asked me questions about Chechnya, too. It would have been strange if they had not. The Russian premier has arrived [as received] and it is quite obvious that my partners wanted to receive information. I myself, when talking about the situation in Russia, always dwelled upon the Chechen issue," Chernomyrdin said before flying home on Saturday.

"We discussed it at the talks with French President Francois Mitterrand and Prime Minister Edouard Balladur," he added.

"By the way, in the current situation we ourselves create difficulty for the leaders of these states in this respect as they find it harder to persuade their people of the need to develop and improve relations with Russia. None of our partners, either in Britain or in France, said that our actions were wrong. They just say: Solve it faster," he said.

Chernomyrdin admitted that at the current stage the Chechen issue has a certain impact on partnership between Russia and the European Union.

Chernomyrdin stressed that "I am satisfied with the results of the talks. We reached mutual understanding with our French partners and established extremely useful contacts with representatives of business circles. Summing up the results of the two visits—to Britain and France—I should note that there are still some problems in relations between Russia and the European Union."

"We hope for France's support on this issue as European Union president," he added.

As President Mitterrand said "Europe cannot do without Russia," Chernomyrdin said.

Meeting French business people earlier today, Chernomyrdin said that "Russia is seeking equal relations of partnership and mutually advantageous economic ties with the West."

The Russian Government believes that stabilisation in Russia can be achieved only with the growth of private, including foreign investments in the Russian economy.

Chernomyrdin told French businessmen about the efforts being taken in Russia to carry out market reform and answered numerous questions concerning foreign investment guarantees and Russia's foreign debt payments.

He gave a positive assessment to his visit on the eve of the second session of the Russian-French Council for Economic, Financial, Industrial and Trade Cooperation.

During the visit, Chernomyrdin met with French Prime Minister Edouard Balladur to discuss ways to resolve the problems that hamper the development of bilateral ties between the two countries.

France is an excellent partner who understands Russia's problems and seeks cooperation with it, the russian premier said.

The two sides also discussed the repayment of Russian bonds issued on the turn of the 20th century. According to French sources, there are about 300,000 holders of such bonds in France. Russia first recognised its obligations to France in 1992. During the current visit, Chernomyrdin confirmed Russia's commitment once again and assured the French side that "Russia will fulfil its obligations."

Chernomyrdin Assesses Visits to Britain, France

LD0403220095 Moscow ITAR-TASS in English 2044 GMT 4 Mar 95

[FBIS Transcribed Text] Moscow March 4 TASS—Russian Prime Minister Viktor Chernomyrdin returned to Moscow from a two-day official visit to France on Saturday.

During the trip, Chernomyrdin visited Britain and France, where he met with British Prime Minister John Major and French President Francois Mitterrand and other high-ranking officials of the two countries.

Assessing his visit to Britain, Chernomyrdin said that "I am very satisfied with Russian-British relations."

"I am satisfied with the British visit of the Russian governmental delegation. Everything was just fine. We had successful negotiations with the British leaders and representatives of the industrial and financial communities. Today we signed an agreement with heads of the London Club on the former Soviet debt to Western private banks, which is an important event for us. We have had these negotiations for long and finally managed to achieve considerable progress. Important negotiations with other international finance institutions are nearing completion," said the premier.

In France, Chernomyrdin met with French President Francois Mitterrand, Prime Minister Edouard Balladur, managing director of the International Monetary Fund Michel Camdessus and Paris Mayor Jacques Chirac, as well as members of the French business community.

Before his departure from Paris, Chernomyrdin told ITAR-TASS that "I am satisfied with the results of the talks. We reached mutual understanding with our French partners and established extremely useful contacts with representatives of business circles."

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France is an excellent partner who understands Russia's problems and seeks cooperation with it, the Russian premier said.

Kozyrev Meets With Deng Rong in Beijing

LD0203132695 Moscow INTERFAX in English 1141 GMT 2 Mar 95

[FBIS Transcribed Text] Beijing, Mar. 2 (Interfax)—Russia's Foreign Minister Andrey Kozyrev, visiting Beijing, is meeting with Chairman Jiang Zemin and Premier Li Peng today.

Yesterday, he conferred with his Chinese counterpart Qian Qichen.

As journalists were told at the end of the talks, the ministers confirmed that Li Peng is expected to visit Moscow in May. The Chinese side also extended an invitation to Russia's President Boris Yeltsin to visit China in the second half of this year.

The two ministers welcomed the fact that relations between their two countries have become smooth and stable.

Thursday morning Kozyrev attended a ceremony for opening an art exhibition at Russia's Embassy in Beijing and held a 20-minute discussion there with Deng Rong, the daughter of Deng Xiaoping, the patriarch of Chinese reforms.

Kozyrev noted that "it had been Deng Xiaoping, the patriarch of Chinese reforms, enjoying tremendous prestige in China, who had pioneered the course toward normal relations between Beijing and Moscow." The Russian foreign minister stressed that China was playing a stabilizing role in world politics.

For her part Deng Rong stressed that the Chinese leadership attached much significance to the declaration at top level by Moscow's envoy that Moscow still adhered to the 1991 Russian-Chinese agreement on the eastern part of the Russian-Chinese border.

Meanwhile, a number of Russian politicians in the Maritime Region, its governor Yevgeniy Nazdratenko included, have demanded that the agreement be revised or even denounced.

In the conversation with Deng Rong, Kozyrev wished good health to Deng Xiaoping, who is 90 years old.

PRC Official Commends Border Talks With Kozyrev

LD0203145395 Moscow ITAR-TASS in English 1428 GMT 2 Mar 95

[By ITAR-TASS correspondent Marat Abulkhatin]

[FBIS Transcribed Text] Beijing March 2 TASS—"We assess positively the results of the talks with Russian Foreign Minister Andrey Kozyrev and Russia's stand on the border issue", a Chinese Foreign Ministry official, who asked not to be identified, told TASS on Thursday.

Kozyrev, who arrived in China on Tuesday, confirmed the Russian Government's commitment to the 1991 accord on the eastern border segment, which is to promote friendship and mutual confidence between the two countries, the Chinese diplomat noted. China is convinced that the accord on the western border segment will be also ratified by the Russian parliament.

"We also hope that by pooling our efforts, we will complete the demarcation of the Russian-Chinese border", the official said.

The Russian minister's visit to China and his talks with Chinese leaders are the main event of China's political life.

All of the Chinese mass media covering the talks between Kozyrev and his Chinese counterpart Qian Qichen pay most attention to the border issue. This issue became one of the principal items on the agenda of all talks and meetings following the move by Russia's maritime territorial administration to denounce the 1991 agreement on the border with China.

Winding up his two-day visit to Beijing, the Russian minister left for Tokyo on Thursday.

Kozyrev Says Yeltsin To Visit China Before End of 1995

LD0203145895 Moscow ITAR-TASS World Service in Russian 1417 GMT 2 Mar 95

[By ITAR-TASS correspondents Grigoriy Arslanov, Vyacheslav Tomilin, and Viktor Khrekov]

[FBIS Translated Text] Beijing, 2 Mar—Russian President Boris Yeltsin's visit to China will take place before the end of the year. Russian Foreign Minister Andrey Kozyrev said this in an exclusive interview to ITAR-TASS correspondents. The forthcoming visit will be a major event in bilateral relations, he said at Beijing airport before his departure for Tokyo.

Chinese President Jiang Zemin expressed the hope that the forthcoming visit by the head of Russian would last longer than the previous one and would take in Shanghai, where the Chinese leader had worked for many years.

Commentary Urges Conference To Solve DPRK Issue

SK0503104095 Moscow Voice of Russia World Service in Korean 1200 GMT 4 Mar 95

[From the "Today's World" program]

[FBIS Translated Text] Pyongyang is again warning that its agreement on nuclear safeguard signed with Washington last year may be broken [pagi]. Station commentator Aleksey Kondratyev comments:

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Foreign pressure on the DPRK is only bringing about results opposite of those desired. However, the introduction of light-water reactors into Pyongyang is developing in this way. Pyongyang opposes the two kinds of pressure from the United States, the ROK, and Japan. The DPRK has many times refused the ROK-made light-water reactors. Pyongyang views that the United States is pushing the light-water reactors to give secondary political and economic benefits to Seoul. At the same time, the light-water reactors are very expensive and totally new to DPRK experts.

Second, DPRK mass media are denouncing that the United States is continuing linking the implementation of the DPRK-U.S. agreement with the resumption of North-South dialogue. Pyongyang views such conditions as violations of the DPRK-U.S. agreement.

Meanwhile, the United States, Japan, and the ROK, which are forming an international consortium for replacing the DPRK's nuclear program, are making their own threats that if Pyongyang refuses their demands, the current agreement may be broken. In short, such dispute and disagreement are again driving the ultimate solution for the DPRK nuclear weapons issue into a corner, sustaining the political and military confrontation on the Korean peninsula.

The situation on the Korean peninsula should not be overlooked by other countries. Moscow believes it is desirable to convene a special international conference for the resolution of the Korean peninsula issue. Such a conference would solve all fundamental problems of the peninsula, including the replacement of the DPRK nuclear program.

Kozyrev: Russia Should Supply Light-Water Reactors to DPRK

LD0403160195 Moscow ITAR-TASS World Service in Russian 0758 GMT 4 Mar 95

[By ITAR-TASS special correspondent]

[FBIS Translated Text] Tokyo, 4 Mar—Russia believes that it is she who should supply light-water nuclear reactors to North Korea within the framework of an international program designed to solve the problem of the DPRK's nuclear program, which is suspected by the international community of secretly developing nuclear weapons. This was stated at a news conference in Tokyo today by Russian Foreign Minister Andrey Kozyrev who leaves for Moscow today at the end of his visit to Japan.

Noting that Russia is currently examining the possibility of linking up to the work of the international Korean Energy Development Organization [KEDO], Kozyrev recalled that it was Russia's idea to supply North Korea with light-water nuclear reactors during the operation of which hardly any weapons-grade plutonium is formed. It would be strange if Russia did not play the most active part in the implementation of this idea, the minister said.

At the same time he made it clear that Russia's participation in KEDO's work may not be possible if Russia is not selected as a supplier of nuclear reactor technology to North Korea. We are definitely interested and we believe that our proposal on the supply of nuclear reactors to the DPRK is a promising one, Kozyrev stated. He expressed the opinion that the possibility of the successful implementation of the KEDO program is directly connected with how fully Russia's proposals on this project are taken into account.

The United States, Japan, and South Korea, who are the main participants in KEDO, recently came to an agreement that South Korea would supply light-water nuclear reactors to the DPRK.

Kozyrev, Japan's Kono Discuss Ties, DPRK Nuclear Program

LD0303184795 Moscow ITAR-TASS in English 1812 GMT 3 Mar 95

[By ITAR-TASS special correspondent]

[FBIS Transcribed Text] Tokyo March 3 TASS—Japan will render 500,000 U.S. dollars to Russia for assistance to refugees from the Chechen Republic, Japanese Foreign Minister Yohei Kono told his Russian counterpart Andrey Kozyrev today during the first round of negotiations, head of the Russian Foreign Ministry's information and press department Grigoriy Karasin told ITAR-TASS here today.

The Japanese minister expressed concern over Chechen situation. Tokyo has repeatedly made similar statements and called for the soonest termination of bloodshed in Chechnya while stressing that the Chechen situation is an internal affair of Russia.

Kozyrev confirmed the invitation to Japanese Prime Minister Tomiichi Murayama to visit Russia. The ministers decided that the sides will start preparing an official bilateral agreement on the Russian visit of the Japanese leader.

Kono informed Kozyrev in detail about western and Japanese efforts to settle the problem of the North Korean nuclear program. The international community suspects North Korea of secret development of nuclear arms. Kozyrev explained the Moscow stand on the problem and stressed that Russia would like to supply its technologies of nuclear reactors to North Korea. The project of assistance to development of Korean power engineering provides for South Korean supply of light-water reactors to Pyongyang. The program whose fulfilment has started is bound to settle the problem of North Korean nuclear program.

In the words of Andrey Kozyrev, Russia is striving for more active participation in the affairs of the Asia-Pacific region, including close attention to the regional situation and its boosted participation in the activities of the Asia-Pacific Economic Council.

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The ministers discussed in detail the Russian and Japanese political situations. Despite the current difficulties, Moscow is planning to continue radical reforms and transformation of society, said Kozyrev.

The second round of negotiations will be held in Tokyo tomorrow to agree on the time of Russian-Japanese negotiations to conclude an agreement on Japanese commercial fishing off shore southern Kurils and solve the problem of poaching in Russian territorial waters.

Kozyrev on Japan's UN Security Council Membership

LD0403151495 Moscow ITAR-TASS World Service in Russian 0821 GMT 4 Mar 95

[By ITAR-TASS special correspondent]

[FBIS Translated Text] Tokyo, 4 Mar—Contrary to reports in the Japanese press, which confidently reported today that Russia had added its name to the list of countries supporting the granting to Japan of the status of permanent member of the UN Security Council, Russian Foreign Minister Andrey Kozyrev made it clear at a news conference in Tokyo today that this was by no means the case.

"We welcome the fact that Japan attaches important significance to the United Nations and is taking a more active part in the work of this international organization," the minister pointed out, "and we also understand the desire of Japan and a whole number of other states to take part in the work of the Security Council on a permanent basis." However, in recent years, the minister noted, "the number of states capable of making a considerable contribution to the UN's work has grown to such a degree" that during the preparation of the reform of the United Nations, which is now being undertaken by a special UN committee, "it will be very difficult to make a choice from all the candidates" striving for the status of permanent member of the Security Council. "We hope that the UN committee will make a decision that will satisfy the desire of a number of states, including Japan, to play a more active role in the work of the United Nations."

Passes Yeltsin Message to Japan's Murayama

LD0303171495 Moscow ITAR-TASS in English 1606 GMT 3 Mar 95

[By ITAR-TASS special correspondent]

[FBIS Transcribed Text] Tokyo March 3 TASS—Russia plans to "develop bilateral relations with Japan and settle all problems in the business-like spirit. It confirms the policy of cooperation in international issues, including that of the Asia-Pacific region," says a written message of Russian President Boris Yeltsin passed over by Foreign Minister Andrey Kozyrev to Japanese Premier Tomiichi Murayama here today.

The Russian minister had met the Japanese Government head and described the meeting as "successful and useful. I must say that the prime minister showed a positive and business-like reaction".

The meeting, which was held at the official residence of the Japanese prime minister and coincided with his birthday, focused on further Russian-Japanese dialogue at the summit level. "We are waiting for the Japanese prime minister to arrive in Moscow for a full-scale summit. We have agreed on gradual preparation of materials to make the visit a major step in development of bilateral relations," said Kozyrev.

The Russian and Japanese leaders will attend the G7 summit in Halifax, Canada, in summer, and they "will see each other anyway," said Kozyrev. "I think that Japan will help Russian increasing joining of the structure and the G7's turning into the G8."

In the words of Kozyrev, Murayama "thanked Russia for humanitarian aid sent after the Japanese earthquake of January 17." The Russian side again presented its condolences to Japan in connection with the huge loss of life and destructions caused by the natural calamity and "expressed the readiness for further assistance".

"We remember that Japan has repeatedly rendered humanitarian aid and issued credits to Russia. These are examples of goodneighborliness," said the Russian foreign minister.

Leaves Japan After 'Constructive' Talks

LD0403102495 Moscow Radio Rossii Network in Russian 0900 GMT 4 Mar 95

[FBIS Translated Text] Andrey Kozyrev, Russia's minister of foreign affairs, has completed a working visit to Japan. He left by air for Moscow today. In Tokyo Kozyrev had a number of meetings with Japan's Foreign Affairs Minister Yohei Kono, and had a conversation with Prime Minister Tomiichi Murayama, to whom he gave a personal message from President Yeltsin.

At a news conference today, Kozyrev noted the constructive spirit of the consultations that had been held, within the framework of which an accord was reached regarding talks on ensuring the safety of fishing in the South Kurils zone.

An exchange of opinions also took place on international issues, including that of expanding Japan's role in the United Nations, and the solving of problems relating to North Korea's nuclear program.

During his trip to the Far East Kozyrev also visited China.

Notes 'Goodneighbourly' Approach to Fishing Dispute

LD0303165995 Moscow ITAR-TASS in English 1546 GMT 3 Mar 95

[By ITAR-TASS special correspondent]

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[FBIS Transcribed Text] Tokyo March 3 TASS—Russian Foreign Minister Andrey Kozyrev hopes that Moscow and Tokyo will show goodneighbourly and realistic approach to fishing off shore southern Kurils, the topic of large-scale bilateral negotiations. A statement to the effect was made by the minister in an ITAR-TASS interview during his working visit to Japan.

In the words of Kozyrev, the topic was discussed today with Japanese Prime minister Tomiichi Murayama. The brief dialogue was useful, said the minister. Kozyrev is expected to raise the fishing question in the area of the disputable islands during his negotiations with Japanese Foreign Minister Yohei Kono. Two rounds of the negotiations will be held today and on Saturday.

The agreement to start large-scale negotiations on safe fishing off shore southern kurils, where numerous cases of Japanese poaching have been registered, was first reached in November 1994 during the Tokyo visit of First Vice-Premier Oleg Soskovets. In the opinion of competent sources, the Japanese stay of Andrey Kozyrev may set the date of fishing negotiations.

Comments on Results of Visit to Japan

LD0403190195 Moscow ITAR-TASS World Service in Russian 1000 GMT 4 Mar 95

[By ITAR-TASS special correspondent]

[FBIS Translated Text] Tokyo, 4 Mar—Every available opportunity has now been taken by Moscow and Tokyo so relations between them will be of a positive nature and the problems will be resolved in the spirit of goodneighbourliness, Andrey Kozyrev, the Russian foreign minister, said at a news conference summing up his visit to Japan that ended today.

Andrey Kozyrev refuted claims that the relations between the two countries were in a state of stagnation because of the lack of progress in finding a solution to the territorial dispute around the South Kuril Islands. Noting the intensive dialogue between Moscow and Tokyo at the level of foreign ministers, he pointed to the importance of the fact that "an impetus was given at the beginning of this year for the development of Russia's foreign policy in the East." A. Kozyrev recalled that during his visit he gave a message from Russian Federation President Boris Yeltin to Japanese Prime Minister Tomiichi Murayama that "underlined the trend towards comprehensive forward development of the bilateral relations."

The Russian minister said his dialogue with Yohei Kono, head of the Japanese foreign ministry, was constructive and businesslike, and was characterized by "unity of views on the need for the two countries to take successive steps towards establishing genuine partnership." In particular, the two sides agreed to hold bilateral talks in Moscow on 13-14 March on how to conclude an agreement on paid access for Japanese fishermen to Russian territorial waters near the South Kurils. The minister expressed hope that this would ease tensions brought about by the activities of Japanese poachers in the area. "One can look with optimism at the prospect of talks on fishing leading to positive results," he said.

A. Kozyrev revealed that the two sides also agreed to discuss in detail ways to expand exchanges not requiring visas, which have been in existence for three years now between the inhabitants of the South Kurils and the Japanese, mainly those from the northern island of Hokkaido.

Having noted that Russia wishes to step up economic cooperation with Japan, A. Kozyrev observed that this is to a large extent being hampered by the existence of "blank areas" in the national legislation regulating the activities of foreign businessmen. He said that among other things the government bill on protecting investments, in the drafting of which the views of foreign businessman were taken into account, should improve the situation. For its part, Russia has proposed that bilateral agreements should be concluded with Tokyo on reciprocal protection of capital investments and avoidance of dual taxation.

A. Kozyrev revealed that in the course of his visit he handed over to the Japanese side some previously unknown archive materials concerning Japanese prisoners of war who were captured by the Soviets and died after 1945. In the minister's view, this was a step "of great symbolic significance in the year of 50th anniversary of the end of the Second World War." He said this was "another practical step along the road of humanitarian cooperation between the two countries."

'Extremists' Attack Member of Kozyrev Delegation

LD0303145895 Moscow ITAR-TASS in English 1449 GMT 3 Mar 95

[By ITAR-TASS special correspondent]

[FBIS Transcribed Text] Tokyo March 3 TASS—Japanese ultra-right extremists on Friday attempted an assault on a senior Russian border-guard official, who was a member of delegation led by Russian Foreign Minister Andrey Kozyrev, which visited Japan.

According to Russian diplomatic sources, ultra-right militants stopped and encircled a car, in which Mikhail Shekhalevich, chief of the treaty-and-legal department under the headquarters of the Russian border-guard troops, was riding and tried to open the doors by force.

As a result of the incident, Shekhalevich was not injured, but was greatly shocked. Japanese police and secret services promptly prevented the extremists from taking more resolute measures, the diplomatic sources said.

Representatives of Japanese authorities expressed formal regrets and apologies in connection with the incident.

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Soon after the incident the Japanese party took care to reinforce protection of the Russian delegation, the Russian diplomatic sources said.

Several Japanese ultra-right groupings undertook several anti-Russian propaganda actions in Tokyo on Friday morning. They went about the Japanese capital in buses equipped with loudspeakers, shouting anti-Russian slogans. They were particularly active in the neighbourhood of the Russian Embassy, where the above-mentioned incident took place.

Roundtable on Russian-Iranian Relations Opens in Tehran

LD0503171195 Moscow ITAR-TASS World Service in Russian 1356 GMT 5 Mar 95

[By ITAR-TASS correspondent Oleg Kuzmin]

[FBIS Translated Text] Tehran, 5 Mar—Sessions of the Roundtable on issues related to the development of Russian-Iranian relations opened in the Iranian capital today in an atmosphere of confidentiality. Taking part in them are political figures, diplomats, and political experts from both countries. Journalists were not allowed in to hear the addresses by Iranian Deputy Foreign Minister Abbas Maleki and Sergey Tretyakov, Russian ambassador to the Islamic Republic of Iran.

The ITAR-TASS correspondent learned that the agenda of the Roundtable, to which Tehran attaches great importance, contains many delicate issues on the present state of and on the future of relations between Russia and Iran in the political and economic spheres, the approaches of Moscow and Tehran to the events in the republics of Central Asia and the Caucasus. It is expected that, besides taking part in the two-day seminar, the members of the Russian delegation will meet Dr. 'Ali Akbar Velayati, Iranian minister of foreign affairs.

In the Russian delegation, in particular, are: Konstantin Zatulin, chairman of the Committee for CIS Affairs and Links with Compatriots, Andranik Migranyan, member of the Presidential Council, Vitaliy Naumkin, president of the Russian Center for Strategic and International Studies, and others.

Moscow To Supply India With Cryogen Engines

LD0203153395 Moscow ITAR-TASS in English 1525 GMT 2 Mar 95

[By ITAR-TASS string correspondent Viktor Gritsenko]

[FBIS Transcribed Text] Moscow March 2 TASS—Russia will deliver the first cryogen engine for space rockets in 1995.

This will be done in keeping with Russian-Indian contract which was amended following a scandalous row about Russian sales of cryogen engines and relevant technologies.

In all, Russia will give seven engines to India, two of them free of charge by way of compensation for Russia's eventual refusal to transfer technologies and assist in training Indian personnel, as provided by the earlier, unamended agreement of 1991.

The price to pay for the five remaining engines will remain at previously-agreed level—$220 million.

India intends to produce a carrier rocket of its own, which will be able to put "IRS" satellites on earth orbit. The satellites are intended for collecting meteorological data, information on prospecting for natural resources and monitoring the state of forestry and agricultural resources.

At present India has to apply to Russia for putting the satellites on orbit. Thus, a regular operation of this kind is scheduled for July-August, 1995: the "Molniya" carrier rocket will put an "IRS-1c" satellite on earth orbit then.

In accordance with the amended agreement, Russian experts will assist the Indian organization for space research in outfitting controlling facilities and monitoring space missions of satellites.

Belgrade's Defense Minister Cited on Moscow Talks

MM0303133195 Moscow KRASNAYA ZVEZDA in Russian 3 Mar 95 p 3

[Report by Sergey Sidorov: "Moscow and Belgrade Ready for Military Cooperation"]

[FBIS Translated Text] "The present visit to Moscow is the defense minister's first official foreign visit since the FRY was formed and since the imposition of sanctions on us by the UN Security Council." That is what your KRASNAYA ZVEZDA correspondent was told by Pavle Bulatovic, head of the FRY military department, at the end of his talks with Russian officials.

The seriousness of the talks in the Russian capital is demonstrated above all by the fact that talks have been held, Minister Bulatovic stressed. It is evidence of the readiness of Russia and Yugoslavia for intensive cooperation, including in the military sphere.

Answering a question on the content of the agreement signed by the Russian and FRY defense ministers, Bulatovic said that it is revealed in the document's title—On Military-Economic and Military-Technical Cooperation. It is envisaged that the agreement will go into force after sanctions are lifted. Commenting on the speculation by a number of Western journalists on the conclusion of a "Russian-Yugoslav pact" as a response to the agreement on military cooperation between the United States and Croatia, the Yugoslav minister noted that if they want to regard Russian-Yugoslav contacts in that way then that is their own business. On the other hand, since the United States and Croatia can conclude

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an agreement on military cooperation, why cannot Russia and Yugoslavia do the same?

Pavle Bulatovic was highly appreciative of Russia's readiness to seek the lifting of the sanctions on Yugoslavia. He stressed that in so doing Moscow, unlike its Western partners, is not making the lifting of sanctions conditional on Belgrade's prior recognition of Croatia and Bosnia-Herzegovina. The Yugoslav defense minister recalled that many prominent diplomats and statesmen in the West have publicly admitted that the premature recognition of the republics which broke away from Yugoslavia was a mistake and one of the main causes of the Yugoslav tragedy. That is why it is completely illogical now to present Yugoslavia's recognition of Croatia and Bosnia-Herzegovina as a decisive step toward peace.

Pavle Bulatovic said that he has confirmed his invitation to Army General Pavel Grachev to visit the FRY.

Moscow Welcomes 28 Feb Montevideo Declaration

LD0203132795 Moscow INTERFAX in English 1242 GMT 2 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 2 (Interfax)—Russia welcomes the Montevideo Declaration adopted in Uruguay on Tuesday [28 February] by the foreign ministers of Peru and Ecuador with support from the countries guaranteeing the Rio de Janeiro Protocol.

Moscow hopes that peace and neighborliness in relations between Peru and Ecuador will be reestablished as soon as possible, Russia's Foreign Ministry said in its communique forwarded to Interfax.

In the Montevideo Declaration the conflicting sides pledged to cease fire effectively and without delay. In addition Peru and Ecuador reaffirmed their willingness to honor their commitments stated in the Itamarati Peace Declaration on February 17.

Azerbaijan's Gamidov on Conversations With Dudayev

MM0203162295 Moscow IZVESTIYA in Russian 2 Mar 95 p 2

[Report by Sokhbet Mamedov: "Gamidov Did Talk to Dudayev, But Not About 'Stingers'"]

[FBIS Translated Text] Baku—The sensational report about the interception of a telephone conversation between Dzhokhar Dudayev and the notorious Iskander Gamidov, leader of the Azerbaijani "Boz Gurd" ("Gray Wolves") party, in which there was allegedly talk of delivering "Stingers" to Chechnya has caused a wave of protest in the republic and ironical notions of counterintelligence officers' primitive work.

But the irony, as the course of events showed, proved to be premature. By circulating this report certain mass media tried to shift onto Azerbaijan part of the blame "for the death of Russian soldiers and officers in Chechnya."

Despite such an unexpected turn of events, a number of things prevent us from taking the FCS [Federal Counterintelligence Service] information seriously. It is known that the Azerbaijani leadership, having stated unequivocally that the events in Chechnya are Russia's internal affair, has urged that the problem be solved by peaceful means. Meanwhile, more than once the republic Border Troops command has been compelled to state that Russia unilaterally closed the border with Azerbaijan in the second half of December last year. In conditions where a special regime is operating here, it is at the very least stupid to talk about weapons deliveries from Baku to Chechnya via Dagestan. As regards telephone conversations between Dudayev and Gamidov, the former Azerbaijani internal affairs minister, the latter does not dream of concealing this fact. "I have had several telephone conversations with Dzhokhar," the leader of the Azerbaijani "Gray Wolves" informed IZVESTIYA, "but during them we never said a word about 'Stingers' and weapons, let alone about terrorist acts on Dagestani territory."

Communications with Dudayev, Gamidov noted, were carried out using a "special telephone which scrambles the conversation." Thus the natural question arises: If the special services officers managed to intercept and decipher the conversation, why were they unable to determine Dudayev's whereabouts?

Meanwhile Gamidov admitted that he had carried out his Groznyy friend's request and personally delivered to the addressee the medals and orders which Dudayev once ordered in a foreign country. "But currently my main concern is the sending to Chechnya of humanitarian freight from Turkey." If this is really the case, Gamidov says, what has prompted the constant FCS interest in the person who is the chairman of the "Gray Wolves" party? Answering this question, Gamidov observed: "FCS officers have unleashed a campaign of slander against me mainly, I think, because I have been supplying objective information about the state of affairs in Chechnya to representatives of the Democratic Movement of Russia, specifically to Gaydar and Yushenkov. I have no other explanation."

Of course, only Gamidov knows how sincere his admissions are. Something else is more important: Why, if it has proof that military aid is being given to Dudayev from Azerbaijani territory, has the Russian Government still not expressed its grievances to Baku through official channels?

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Political Issues

Security Council's 6 March Meeting Previewed

LD0603131895 Moscow INTERFAX in English 1206 GMT 6 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 6 (Interfax)—Well-informed sources have told Interfax that the Russian Security Council will hold a special extended meeting in the Kremlin today. Among those invited are Acting Russian Prosecutor General Aleksey Ilyushenko, Moscow Mayor Yuriy Luzhkov and leaders of departments directly connected with anti-crime activities.

On the agenda is the struggle with crime and security for Russian citizens.

Russian President Boris Yeltsin is expected to open the meeting with a speech in which he will outline the possible solutions and give orders to the departments, which are responsible for the carrying out of the nationwide anti-crime program. The sources say that also expected is a "tough" conversation on why Yeltsin's decree No. 1226 of June 14, 1994 on combating crime and gangsterism was not executed.

It is expected that Interior Minister Viktor Yerin, FSK (counterintelligence) Director Sergey Stepashin and Acting Prosecutor General Aleksey Ilyushenko will deliver reports at the meeting.

Yeltsin Opens Meeting; Agenda Outlined

LD0603134995 Moscow ITAR-TASS World Service in Russian 1305 GMT 6 Mar 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 6 Mar (ITAR-TASS)—The state of the fight against crime in Russia and the results of providing the country with a defense capability in 1994 are the main issues submitted for discussion at the Russian Federation Security Council meeting which began in the Kremlin today.

Opening the meeting, Russian President Boris Yeltsin stated that the agenda of today's meeting of the Security Council members is very full. According to him, the first issue to be examined will be that of the state of the fight against crime in Russia and the urgent measures to ensure the safety of citizens. Reports on this issue are to be made by Viktor Yerin, Russian Federation minister of internal affairs; Sergey Stepashin, director of Russia's Federal Counter-Intelligence Service; and Aleksey Ilyushenko, Russia's acting prosecutor general.

Boris Yeltsin mentioned as the second issue on the agenda that of providing Russia with a defense capacity in 1994 and some practical tasks in this field for 1995. Russian Defense Minister Pavel Grachev is to make a report on this issue.

Boris Yeltsin also mentioned the third point on the agenda: Security Council members are to hear information on preparations for implementing the treaty on the universal banning of nuclear tests. Reporting on this, the head of state noted that "the issue is more or less clear to everyone and does not require especially long argumentation."

Meeting Attendees Listed

LD0603144995 Moscow INTERFAX in English 1333 GMT 6 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 6 (Interfax)—Russia's Security Council is holding a private meeting in the Kremlin with President Boris Yeltsin chairing it.

The three-point agenda includes measures to combat rising crime, the defense ministry's performance in 1994 and the tasks facing it this year, and a comprehensive nuclear test ban. Relevant reports are to be made by Interior and Defense Ministers Viktor Yerin and Pavel Grachev, and Atomic Energy Minister Viktor Mikhailov.

The meeting also involves SC Secretary Oleg Lobov, Prime Minister Viktor Chernomyrdin, Deputy Prime Minister Sergey Shakhray, Foreign and Finance Ministers Andrey Kozyrev and Vladimir Panskov, Civil Defense Minister Sergey Shoygu, Federal Counterintelligence Chief Sergey Stepashin, Foreign Intelligence Chief Yevgeniy Primakov and Head of the Federal Frontier Service Andrey Nikolayev.

Acting Prosecutor General Aleksey Ilyushenko, Senior Presidential Aide Viktor Ilyushin and Presidential Aide for National Security Yuriy Baturin are also involved.

Reportage, Commentary on Murder of TV Leader Listyev

Moscow Journalists Urge 'Extreme Measures'

MK0303101595 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 3 Mar 95 p 1

[Statement by the Moscow Journalists Union]

[FBIS Translated Text] Following the treacherous assassination of Vladislav Listyev, the Moscow Journalists Union expresses its immeasurable grief and anger. A colleague of ours has been murdered, a talented journalist, the creator of most interesting shows, and organizer of TV broadcasting.

Listyev was a favorite of Moscow, of the entire country. He entered every home like a good friend, carrying words of cheer, vigor, and optimism, helping to understand the most complex problems. He has been a hospitable interlocutor for all Russia and all the Commonwealth countries.

Who needed his death? Those who do not want the truth, investigative journalism, and genuine sincerity. Who, today, is afraid of the truth, of the journalist's high

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professionalism? The mafia. The mafia, which has penetrated power structures, ministries, and even the presidential entourage. This is why all appeals by journalist unions and the creative public to the country's leadership to protect the press and help it become independent legally and economically have been left without response. The numerous promises and loud words have in fact been only so much hot air.

The Moscow Journalists Union believes that Vladislav Listyev's death is the line beyond which decisive measures must follow. Banish from the newspaper pages, the TV screens, and the radio airwaves all those who have lost honor and conscience, who seek to place the mass media under their control. May these extreme measures finally force the country's leadership to give its due to journalism, which has always defended democracy, democratic reform, and has not retreated one step in this struggle.

[Signed] Moscow Journalists Union.

Public TV Directors See Mafia 'Challenge'

MM0303125295 Moscow ROSSIYSKIYE VESTI in Russian 3 Mar 95 p 1

[Untitled statement by board of directors of Russian Public Television]

[FBIS Translated Text] We regard this killing as a challenge by the brutalized mafia which commits outrages. A challenge to Russian society and to all of us.

We are convinced that it was a contract killing and, what is more, a political one. Those who inspired and organized it must know that there will be no mercy.

The board of directors of Russian Public Television appeals to the president of the Russian Federation: Use all the fullness of your power and finally curb crime and corruption, which have overwhelmed and are eating away at Russian society.

Vladislav cannot be brought back, but in memory of him, for the sake of his family and children, in the name of our common future, and in the name of our long-suffering motherland it is incumbent on us to end the free-for-all and permissiveness.

We are sure that there will be a new Russia. It will have the new television of which the real journalist and citizen Vladislav Listyev so dreamed.

[Signed] The board of directors of Russian Public Television.

Zhirinovskiy Says LDPR Not Seeking 'Scapegoats'

LD0303135895 Moscow ITAR-TASS in English 1341 GMT 3 Mar 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow March 3 TASS—The parliament group of the Liberal Democratic Party of Russia [LDPR] will not demand that anyone be sacked over the slaying of television journalist Vlad Listyev, LDPR leader Vladimir Zhirinovskiy told a press conference in the State Duma today.

"We shall not look for scapegoats," he said.

Along with this, the LDPR leader said his supporters would back the demand for the early elections of the president and the parliament if such demands are voiced in the State Duma.

Zhirinovskiy expressed condolences over the tragic death of Listyev, which he described as a result of "gangland war".

According to him, the parliament is also to blame for the slaying because it "has not passed a single law on security".

Zhirinovskiy said he was baffled by the suspension of television broadcasting following the shooting of Listyev. Zhirinovskiy said it was "an act of subversion and provocation".

He also said the president's meeting with the Ostankino (television centre) staff was a mistake.

Shakhray Warns of Exploitation by 'Extremists'

LD0303142295 Moscow ITAR-TASS in English 1339 GMT 3 Mar 95

[By ITAR-TASS correspondent Andrey Krasnoshchokov]

[FBIS Transcribed Text] Paris March 3 TASS—"I have known Vladislav Listyev personally and his defiant murder has deeply shocked me," Russian Vice-Premier Sergey Shakhray told journalists here today. "This murder is extremely dangerous from the political point of view because the wave of just indignation, triggered by this crime in the Russian society, may be used by right-wing extremist forces to seize power," he noted.

"This murder must be investigated urgently and objectively," Shakhray stressed. "There may be many versions, but two of them must be studied most carefully. The first one is that the murder is linked with the turning of the 'Ostankino' television company into a joint-stock society and with plans to temporarily ban advertisements on the television, which bring huge profits to certain structures," he added.

The second version, Shakhray believes, is linked with the fact that Listyev had given the air to one of Dudayev's chief opponents—General Suleymenov—at the time when the Chechen crisis was at its height. Suleymenov told TV viewers the truth about the methods used by Dudayev's regime in Groznyy. Shakhray does not rule out that the plans of the head of the Russian public television to ban advertisements, which could yield huge profits to underground businessmen, also threatened the

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interests of Chechen mafiosi structures which control, Shakhray's claims, eighty per cent of the "shady" gambling business in Moscow.

In the prevailing situation, Shakhray noted, the Russian authorities should take extraordinary measures to combat organised crime in the country, especially in Moscow, to suspend the reorganisation of the 'Ostankino' television, and to urgently create a legislative foundation for advertisement business in Russia.

Filatov Vows 'Toughest Steps' To Find Murderers

LD0303153895 Moscow INTERFAX in English 1425 GMT 3 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 3 (Interfax)—The state will take the toughest steps to find Vladislav Listyev's murderers, head of the presidential administration Sergey Filatov declared to journalists Friday.

In his words, it is necessary to understand what groupings were interested in this crime, political or financial ones. "In any case, everything that has happened was not merely by chance," Filatov believes.

Filatov, as well as First Deputy Prime Minister Oleg Soskovets, Moscow Mayor Yuriy Luzhkov and presidential press secretary Vyacheslav Kostikov attended the civil funeral in Ostankino and placed wreaths and flowers from the Russian president and government and the Moscow government.

Murder Linked to Advertising Revenues

MM0303154795 Moscow TRUD in Russian 3 Mar 95 p 1

[Interview with Oleg Novikov, chief of Moscow City's Antimonopoly Administration, by correspondent Nadezhda Grineva under the "Authoritative Opinion" rubric; place, date not given: "How Much Does TV Cost?"]

[FBIS Transiated Text] [Novikov] We have carried out research in the advertising services market in Moscow. Everyone who has run into television in the course of their work will understand that the circulation here of dollars, tens of thousands of dollars in cash could be the main reason for the murder. Under the Law on Mass Media, advertising on television must not exceed 25 percent of broadcasting time. Ostankino and the advertising agencies which work with it are the leaders in attracting advertisers—more than 50 percent of all expenditure on TV advertising. The maximum charge per minute of advertising on the channel is actually $12,000 (prime time is from 1800 to 2400 hours). The actual cost per minute in a specific program can be much higher: For example, up to $30,000 on the "Field of Miracles" program [presented by Listyev]. Television derives more than half its advertising profit from foreign advertisers.

"Overall" leadership is in the hands of Aleksandr Yakovlev. However, everything on television is down to the program directors, they are "in charge of the situation." Incidentally, the sad case of Listyev is not the first. He tried vigorously to stem the tide of advertising and to clear Channel One of advertising for tobacco, alcohol, and so forth. I think the Federal Counterintelligence Service duty officer who said that Listyev's murder was not a political matter is wrong.

Paper Speculates About Motives

MM0303164695 Moscow IZVESTIYA in Russian 3 Mar 95 p 4

[Unattributed article: "Explanations for the Murder"]

[FBIS Translated Text] The murder of Vladislav Listyev, executive director of Russian Public Television [RPT], is under investigation by the Prosecutor's Office. Official versions of what happened will probably be made public sooner or later. Without trying to assume any special functions now, we will nevertheless try to analyze the possible reasons for and consequences of this murder.

1. The first theory, which arose virtually straight after the murder, points to its criminal and financial origins. Vladislav Listyev, who in November 1994 took up one of the key posts at Ostankino, was able to influence the reallocation of large sums of money. It is well known that following the flotation the Ostankino leadership intended to transfer the rights to all advertising time on the First Television Channel to a limited range of companies in its charge, among them, inter alia, "InterVID," "RepTV," and "ATV." In effect this heralded the new leadership's strict intention of autonomously selling advertising time, control over which was previously in other hands.

One can roughly imagine what kind of sums were at stake. In particular, Aleksandr Yakovlev, chairman of the RPT board of directors, said in an interview following Listyev's murder that Ostankino was losing out to the tune of 30 billion rubles a month, and this money was going to outside companies selling RPT airtime directly and via intermediaries.

Sergey Lisovskiy, head of the "LIS'S" firm, is considered one of the people with real control of advertising time on Channel One. According to reports, the day before his murder Vladislav Listyev met with Lisovskiy and refused to sign a contract of unknown content. What is more, it is claimed that they had an extremely unpleasant and difficult conversation. Literally an hour after the crime Lisovskiy began to feature in commentaries as virtually one of the main organizers of the murder.

The theory is tenable, of course. However, the following is by no means in its favor. It is illogical to shoot someone and steal his attache case full of documents immediately after a dramatic confrontation that was common knowledge. The speed with which the Lisovskiy theory arose prompts the thought that structures with an interest in Listyev's murder (if they exist) might have

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made good use of the opportunity in the assumption that suspicion would fall on Lisovskiy.

2. Needless to say, in addition to the purely mafia background to the crime, political undertones feature in the theories. As always, "certain circles" are cited as the possible culprits. The circles' aim is to use the murder of the undeniably popular Listyev and the predictable indignation in the country to discredit the authorities. The population's initial reaction was not long in coming—television and editorial offices began to receive telephone calls demanding the president's resignation. The hullabaloo is a splendid opportunity to make another attempt to oust either the cabinet as a whole or the power ministers in particular.

3. However, a diametrically opposite theory is just as tenable as the previous one. Listyev's murder may be easily used by the current authorities themselves. There is now every reason "in the interests of the investigation" to conduct a thorough check on all the Ostankino channel's activity—a check which was practically impossible before and as a result of which the very powerful television channel will find itself under the authorities' total control. Depending on the situation, there may be a further development: the issuing of an edict regarding another tough intensification of the fight against crime enabling the authorities to take any steps, including the introduction of a state of emergency, the introduction of censorship, or canceling elections.

There may of course be other theories in addition to these three main ones: a homicidal maniac, Chechen terrorists, disgruntled colleagues. It is quite possible that in the near future at least a dozen citizens wanting to sincerely confess to the journalist's murder may turn up in holding cells and police detention centers. All this can be discussed with a larger or smaller measure of irony. But our lamentable experience shows that only one thing can be asserted now with certainty: The true motives behind the crime and the real killer will most likely never be found.

Ponomarev's Dismissal Opposed

LD0303172795 Moscow INTERFAX in English 1611 GMT 3 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 3 (Interfax)—"The doubtful forced decision on dismissing the Moscow Prosecutor will not only fail to help the case but will play in the hands of the forces destabilizing legal order," employees of the Moscow Prosecutor's Office said in their message to the Russian president and parliament. Employees of the Moscow Prosecutor's office held a meeting today.

As it was earlier reported, Russian President Boris Yeltsin announced on Thursday that had ordered to dismiss Moscow Prosecutor Gennadiy Ponomarev after the assassination of TV journalist Vladislav Listyev.

Employees of the Moscow Prosecutor's Office said such a decision was proposed instead of government practical measures for countering crime.

"We are not in favor of cruel measures, the state of emergency and NKVD [forerunner of the KGB] regime as far as restoration of legal order is concerned. However, the present situation leaves us not so many chances," the Moscow Prosecutor's Office employees said. They said solution to the problem did not depend to a large extent on the personality of the Moscow prosecutor, "a very responsible man with big authority who knows his job well."

The Moscow Prosecutor's Office employees said the assassination of Listyev was "another challenge coming from the criminal world strengthening its positions month after month and penetrating into all spheres of public relations and power bodies." "We do not remove from ourselves the part of our responsibility. However, we consider it necessary to stress that the main reasons for the tragic process lay in the complex of contradictions concerning re- distributing property called privatization, breaking the state system, limiting the capacity of law enforcement departments and others."

Moscow Prosecutor Gennadiy Ponomarev was absent from the meeting.

Luzhkov Views Sacking of Pankratov, Ponomarev

LD0403132495 Moscow ITAR-TASS World Service in Russian 1212 GMT 4 Mar 95

[By ITAR-TASS correspondent Igor Belskiy]

[FBIS Translated Text] Moscow, 4 Mar—There was no discussion of any questions connected with the leaders of the city law enforcement bodies during the 2 March meeting between Russian President Boris Yeltsin and Moscow Mayor Yuriy Luzhkov and, in view of this, Luzhkov considers that Yeltsin's statement at his meeting with "Ostankino" workers about the possibility of sacking the head of the city Directorate of Internal Affairs and the Moscow city prosecutor was made under the influence of emotion. Moscow Mayor Yuriy Luzhkov said this to journalists today.

During a telephone conversation with the president that took place after Boris Yeltsin had visited Ostankino, Yuriy Luzhkov disagreed with the president's assessment of the state of affairs in the capital, the mayor said. "The allegation that Moscow is the most criminal city in the country was emotional rather than based on any specific evidence," Yuriy Luzhkov said today.

However, Yuriy Luzhkov, himself, admitted that he considered the situation in the capital as "bad, inadmissible." "But I will not magnify the situation and I will not pick out Moscow as a city where things have got out of hand," the mayor noted. During the discussion of the work of the Moscow militia in 1994, Luzhkov continued, he had, he said, "assessed that work as unsatisfactory."

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Speaking specifically about the personnel changes in the leadership of Moscow's law enforcement bodies, Yuriy Luzhkov said in part: "Such decisions should be made on the basis of an analysis of the work of the bodies headed by particular leaders. They should not be linked with any particular situation, even an emergency one." The Moscow mayor said that he had told Boris Yeltsin that "he did not think it right to decide such questions purely because of what had happened to Vladislav Listyev." In the opinion of the mayor "it will be the criminal elements in the first instance who will be satisfied" if the heads of the city Directorate of Internal Affairs and the Prosecutor's Office are sacked.

Yuriy Luzhkov said that Vladimir Pankratov, the head of the city Directorate of Internal Affairs, was "an active and serious leader." During the time he had headed the city Directorate of Internal Affairs Vladimir Pankratov had done a great deal to improve the material and technical base of the directorate, and to improve the organization of the activities of the internal affairs' bodies, the mayor said. "It is still too early to speak of any results, but a trend toward a normalization of the situation in the city began to emerge last year, and not least thanks to the efforts of the Ministry of Internal Affairs and in particular, of Vladimir Pankratov."

Yuriy Luzhkov expressed the hope that "a calm and well-considered decision" will be taken "after an all-round analysis of the situation and not just after one incident, even such a terrible one as the murder of Vladislav Listyev."

'Tens of Thousands' Gather for Funeral in Moscow

LD0403132295 Moscow ITAR-TASS World Service in Russian 1232 GMT 4 Mar 95

[By ITAR-TASS correspondents Tamara Ivanova, Andrey Shtorkh]

[FBIS Translated Text] Moscow, 4 Mar—Tens of thousands of people have gathered along the railings of one of the capital's oldest cemeteries, the Vagankovskoye cemetery. Moscow is bidding a final farewell to the television journalist Vladislav Listyev, who perished at the hands of killers on Wednesday evening.

Today at approximately 1400 [1100 GMT] the funeral procession went through the gates of Vagankovskoye cemetery to the last resting place of a person of whom it can be said without exaggeration that he was loved by the whole of Russia. The efforts of those who wished to bid their idol farewell, to enter the cemetery grounds, were frustrated by the efforts of the numerous arms of the law, which were stretched out to Vagankovskoye today.

No more than three hundred people—relatives, close friends, colleagues of Vladislav [Listyev], representatives of the authorities, cultural figures, and a small group of journalists—were present at the funeral ceremony. Listyev has been buried not far from the entrance to the cemetery, a few meters from the place where Vladimir Vysotskiy [popular Russian bard who died a few years ago] is buried.

The body of the journalist has been committed to the earth, and hundreds of wreaths and bouquets have already been laid on the fresh mound of the grave.

The tens of thousands of admirers of Listyev's talent who remained outside the cemetery railings are waiting for their turn to pay their respects at the grave of the television journalist.

Filatov, Soskovets, Luzhkov Attend Funeral

LD0403151895 Moscow INTERFAX in English 1358 GMT 4 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 4 (Interfax)—The slain TV journalist Vladislav Listyev was buried on Saturday at the Vagankovo cemetery a few meters away from the grave of the famous actor and singer Vladimir Vysotskiy.

In the morning a funeral service for him was performed at the Resurrection Church in Uspenskiy Vrazhek by the Metropolitan Pitirim of Volokolamsk and Yuriyev.

Well-known politicians, cultural workers and journalists attended the burial. They included the head of the president's staff Sergey Filatov, his First Deputy Sergey Krasavchenko, First Deputy Premier Oleg Soskovets, Mayor Yuriy Luzhkov, Deputy Speaker of the State Duma Artur Chilingarov, the leader of the Russia's Choice faction Yegor Gaydar.

Mayor Luzhkov said addressing those present: "He was a talented, blameless and pure; many viewed him as a friend and adviser, who oriented people in our complex life quietly and kindly."

First Deputy Premier Oleg Soskovets qualified the murder of Listyev as a "barbarity committed by the evil forces which want to scare the people."

The leader of Russia's public TV network Aleksandr (Nikolayevich) Yakovlev promised addressing the deceased that "free Russia and free television will survive for your sake and in memory of you."

At the request of Listyev's relatives the several thousand mourners who had gathered outside the cemetery were not allowed to pass through its gates.

Kozyrev 'Deeply Affected' by Murder

LD0203131795 Moscow ITAR-TASS World Service in Russian 1146 GMT 2 Mar 95

[By ITAR-TASS correspondents Grigoriy Arslanov and Vyacheslav Tomilin]

[FBIS Translated Text] Beijing, 2 Mar—"Shock...we are deeply affected by the death of Vladislav Listyev who

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was, without a doubt, one of the most talented journalists in Russia and one of the most deeply devoted to democracy," Russian Foreign Minister Andrey Kozyrev told the ITAR-TASS correspondents today before flying from Beijing to Tokyo.

"Listyev's death," he stressed, "presents more convincing evidence that professionals, including journalists, need to unite." It is professionals, people who know and are devoted to their work, he said, who are now becoming the target of mafia and other criminal groups. But, Andrey Kozyrev continued, if we unite—diplomats, journalists, politicians, the special services, the law enforcement bodies—we will be equal to dealing with organized crime, racketeering, those who are trying to settle political scores, and fascism. "The only way to oppose organized crime is by reforming and strengthening the degree of professionalism of the law and order and special services," the minister stressed.

Kozyrev Rejects State of Emergency Introduction

LD0403153195 Moscow ITAR-TASS World Service in Russian 0830 GMT 4 Mar 95

[By ITAR-TASS special correspondent]

[FBIS Translated Text] Tokyo, 4 Mar—At a conference in Tokyo today, Russian Foreign Minister Andrey Kozyrev categorically rejected the idea of introducing a state of emergency in Russia as a means of fighting organized crime, as a threat to the unity of the state and the measures to overcome the economic difficulties.

Replying to an ITAR-TASS correspondent's question on the situation in the country, he stressed that for him as a member of the government, a deputy, and politician emergency measures are unacceptable if they lead to a restriction of freedom of speech or other civil rights.

At the same time, Kozyrev said that he is in favor of emergency efforts to form a "party of professionals," i.e. the amalgamation of all the healthy forces of Russia aimed at its transformation and the protection of legality.

Earlier the foreign minister told ITAR-TASS that Vladislav Listyev's murder had once again convinced him of the need for the cohesion of all professionals, since it is precisely people who are aware of and devoted to their cause who are now becoming the target for Mafiosi and other criminal groups, he noted. If we all join together—diplomats, journalists, politicians, the special services, and the bodies in charge of protecting law and order—then we will be able to handle organized crime and Fascism, Kozyrev said.

"Only by reforming and strengthening the professionalism of the law-protection and special services will it be possible to oppose organized crime," the minister stressed.

Death Seen as Start of Election 'Free-for-All'

MM0303130795 Moscow TRUD in Russian 3 Mar 95 p 1

[Article by Yuriy Lepskiy: "In the Mine Field of Wonders" (reference to Listyev TV program "Pole Chudes," "Field of Wonders")]

[FBIS Translated Text] There is or should be, I think, a point at which another murder carried out with impunity should entail the resignation of those responsible to society for maintaining law and order. We have already started getting used to people—decent people in every way equal to Vlad Listyev—dying daily at the hands of killers. The difference is that the majority of those killed are known only to their relatives, colleagues, and friends, whereas Listyev was a household name. Therefore, Listyev's death is "not simply" a tragedy. It is another slap in all our faces.

We cannot, of course, look forward to the resignation of our power ministers on this score—they will get away with it once again. And it has to be admitted that both Yerin and Stepashin are very much taken up with problems relating to Russia's territorial integrity. Who, against this background, are Listyev, Kholodov, and whoever else there might be.... However, you should think about this, comrades.

I appreciate there will be an investigation, an investigation which may or may not find the murderers. However, we should all by now know by sight those forces which have long been brazenly operating right in front of the authorities, the law-enforcement agencies, and the politicians.

Incidentally, as for the politicians.... The election marathon is under way. And it has started, as always, with a fight for newspaper columns and air and screen time. The aides and press secretaries of as-yet little-known, shadowy politicians are constantly ringing editorial offices and offering for publication the deeply meaningful thoughts of their patrons, which reek to high heaven of a burning desire to obtain or hold on to a seat in the Duma. Nor can it be ruled out that we already have politicians, parties, and movements that will seek victory at any price "to save Russia." Listyev ran TV Channel One and did not hide his political preferences. Perhaps what has occurred is "the moment," the time when the real election free-for-all starts on the mighty air waves?

Nor can the simplest, most offensive explanation of the event—namely, a mafia-cum-business "showdown," a reaction to the tough approach to the power of money—be ruled out.

Yabloko Seen Exploiting Murder

MM0603112295 Moscow ROSSIYSKAYA GAZETA in Russian 4 Mar 95 First Edition p 2

["Rejoinder" by Mikhail Gurevich: "'Yabloko' Flies Into a Rage"]

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[FBIS Translated Text] As has become known, a representative of the "Yabloko" faction in the Duma has presented the population with a proposal that they conduct acts of civil disobedience and demand the resignation of the president and the government unless the killers of Dima Kholodov and Vladislav Listyev are found within a month.

We should be grateful that at least they have specified a month. They could have presented an ultimatum of a week.

"Yabloko" leader Grigoriy Yavlinskiy seems to give the impression of an educated and intelligent man. He doubtless understands that only the circumstances of drunken brawls can be established in the shortest of time-frames. I dare say that he has read in the newspapers how long countries with a developed democracy and a strong statehood have been looking for the killers of President Kennedy or Prime Minister Palme.

But after all, he wants to become president himself. And appoint his own premier. And rule for a while. So why waste the opportunity.

The death of Vlad Listyev and the reaction of journalists to it have shaken the country as it is. Certain journalists are even calling for a week-long strike by the mass media. Not realizing, incidentally, that the subscribers, who have paid their money for a daily supply of news, may easily take the strikers to court.

But some people even want early elections.

Unfortunately, yet again certain enthusiasts are using someone else's death to their own ends.

Moscow Prosecutor Ponomarev Formally Dismissed

LD0603105495 Moscow ITAR-TASS in English 1013 GMT 6 Mar 95

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow March 6 TASS—Moscow prosecutor Gennadiy Ponomarev was dismissed on Monday following the murder of noted tv journalist Vladislav Listyev.

The office of the Russian prosecutor general told TASS that Ponomarev was sacked for "failure to ensure a decent organisation of work to expose and investigate grave crimes".

President Boris Yeltsin said on Thursday while expressing condolences to the "Ostankino" tv staff over the assassination of Listyev that Ponomarev, as well as Moscow police chief Vladimir Pankratov were to be sacked for poor work.

However, Moscow Mayor Yuriy Luzhkov made it clear that he was against the dismissals. He said in a tv interview that Yeltsin had made the statement under "the influence of emotions" and added that, despite a number of claims to the two law enforcement officials, they were working to ensure law and order in the capital.

So far no decision to sack Pankratov was adopted. On Sunday he held a meeting to consider the course of the investigation of Listyev's murder.

Yerin Dismisses Moscow Police Chief Pankratov

LD0603113895 Moscow ITAR-TASS in English 1115 GMT 6 Mar 95

[By ITAR-TASS correspondent Larisa Kislinskaya]

[FBIS Transcribed Text] Moscow March 6 TASS—Moscow police chief Vladimir Pankratov and Prosecutor Gennadiy Ponomarev were dismissed on Monday following the murder of noted tv journalist Vladislav Listyev.

TASS learned from sources in the main interior department of Moscow that Interior Minister Viktor Yerin had signed an order dismissing Pankratov.

Earlier the office of the Russian prosecutor general announced that Ponomarev was sacked for "failure to ensure a decent organisation of work to expose and investigate grave crimes".

President Boris Yeltsin said on Thursday while expressing condolences to the "Ostankino" tv staff over the assassination of Listyev that Ponomarev and Pankratov were to be sacked for poor work.

However, Moscow Mayor Yuriy Luzhkov made it clear that he was against the dismissals. He said in a tv interview that Yeltsin had made the statement under "the influence of emotions" and added that, despite a number of claims to the two law enforcement officials, they were working to ensure law and order in the capital.

Yeltsin, Chubays Meet To Discuss IMF Loan

LD0603113695 Moscow ITAR-TASS in English 0901 GMT 6 Mar 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Transcribed Text] Moscow March 6 TASS—Russian President Boris Yeltsin is meeting First Vice-Premier Anatoliy Chubays in the Kremlin, well-informed sources in the president's staff told ITAR-TASS.

The sources said the meeting was not on the president's a regular agenda and it is not immediately known what Yeltsin and Chubays are focussing on.

At the same time the sources did not rule out that the president and the vice-premier are discussing the IMF stand-by arrangement for 6.25 billion dollars.

On Saturday [4 March], Russian Prime Minister Viktor Chernomyrdin said in an exclusive interview with ITAR-TASS in Paris that "in the next few days, all the I's will be dotted with regard to the new accord between

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Russia and the International Monetary Fund on the extension of new, six-billion-loan package".

The IMF managing director, Michel Camdessus said he would arrive for a meeting with Viktor Chernomyrdin in Moscow this week. It is likely that the agreement between Russia and the International Monetary Fund will be signed during this meeting scheduled for March 9.

As is known, First Vice-Premier Anatoliy Chubays coordinates relations with international financial agency [as received], including the International Monetary Fund and the World Bank.

Gaydar Calls Postponement of Elections 'Unethical'

LD0303125495 Moscow INTERFAX in English 1123 GMT 3 Mar 95

[FBIS Transcribed Text] OMSK, Mar 3 (Interfax)—The leader of the Russia's Democratic Choice Party Yegor Gaydar dubbed as "unethical" talk of the possible postponement of presidential and parliamentary elections in Russia.

In response to a question from Interfax, Gaydar said Friday [3 March] in the west Siberian city of Omsk that "he is worried about the elections." It is difficult to predict the outcome of those elections, Gaydar said, because Russia has come to reconsider its priorities every now and then.

In Gaydar's view, Russia "is vacillating between the ineffective and unstable planned economy and effectively-working and stable free market relations which remain to be built." That is why, Gaydar said, the Russian voter may decide to meet the nostalgic calls coming from the opposition.

Although the democratic forces may suffer defeat in the elections, Gaydar is sure of the "final victory of democracy in Russia."

Gaydar is to complete his tour of the Urals and Siberia and return to Moscow Saturday.

Broad Coalition of Democratic Forces Urged

LD0303203295 Moscow INTERFAX in English 1930 GMT 3 Mar 95

[FBIS Transcribed Text] OMSK, Mar 3 (Interfax)—Leader of the Russia's Choice parliamentary faction Yegor Gaydar said in Omsk today that he was in favor of creating a broad coalition of all democratic forces for upcoming parliamentary elections.

Gaydar said the coalition could be created on the basis of such values as the market economy, private property, a peace-loving Russian foreign policy and a free press.

When asked about potential partners in the coalition, Gaydar told an Interfax correspondent that these could be the Yabloko movement led by Grigory Yavlinskiy, the Democratic Russia movement, the Association of Farmers' and Peasants' Holdings, some professional and national organizations. He said the Ahead [Forward] Russia movement, headed by former finance minister Boris Fedorov, may also join the coalition.

When asked about a single candidate from the democratic forces for presidential elections, Gaydar said he believed it early to discuss the issue. He said discussion of this issue before parliamentary elections could only sow discord between the leaders of democratic organizations.

Gaydar said he was skeptical about the re-election of Russian President Boris Yeltsin for a second term. Gaydar said he did not deny the Yeltsin's large merits for Russia. Gaydar also said he was against impeaching Yeltsin before his presidential powers expired.

Gaydar said he believed that one of the reasons for opting for a "force solution" to the Chechen problem was that "there are practically no people remaining near President Yeltsin who are not afraid of saying 'No' to him."

During his stay in Omsk Gaydar met with members of the Omsk Region Legislative Assembly and businessmen and visited the Teachers Institute and the Omskshina enterprise.

Gaydar May Run for Presidency

LD0403103695 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 4 Mar 95

[FBIS Translated Text] Yegor Gaydar may run for the presidency: The leader of Russia's Democratic Choice said this himself, speaking in Omsk. The only condition he stipulated was the need for all democratic forces to be united.

Lozovoy To Head Committee for Ingush-Ossetian Refugees

LD0403094295 Moscow ITAR-TASS World Service in Russian 1604 GMT 3 Mar 95

[FBIS Translated Excerpt] Moscow, 3 Mar—The Russian Government has outlined a number of measures for the timely and complete financing of moves connected with solving the problem of refugees and enforced settlers from the zone of the Ossetian-Ingush conflict. In accordance with the government decision of 28 February, which was received by ITAR-TASS today, and adopted on execution of the corresponding presidential edict, Vladimir Lozovoy has been appointed chairman of the Provisional State Committee [PSC] of the Russian Federation for the elimination of the aftermath of the Ossetian-Ingush conflict, in his office as deputy chairman of the Russian Government.

The PSC is authorized to coordinate the work of the federal executive power bodies, their territorial bodies, and also the executive power bodies in North Ossetia

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and Ingushetia on problems of the return of refugees to their places of former domicile in North Ossetia and Ingushetia.

The PSC is based in the towns of Vladikavkaz and Nazran. [passage omitted]

Military & Space Issues

Army Paper Leaked 'Secret' Information in Grachev Speech

MK0403094595 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 4 Mar 95 p 3

[Report by Yuriy Zaynashev: "Mr. Grachev 'Sets Up' Colleagues. Defense Minister May Be Accused of Divulging State Secret"]

[FBIS Translated Text] Speaking at the conference of the leading personnel of the Armed Forces, Pavel Grachev listed those who prepared and conducted the Chechen operation. That would have been all very well had the list of this leading group not been especially hush-hush.

The newspaper KRASNAYA ZVEZDA made public General Grachev's speech where he cited in detail the Edict of the Russian President of 30 November 1994, No. 2137s. With this edict, Boris Yeltsin created the so-called Group for the Leadership of Actions To Disarm Bandit Formations in Chechnya. This list includes, in addition to Grachev himself, N. Yegorov, V. Yerin, A. Kruglov, A. Kulikov, A. Nikolayev, V. Panichev, B. Pastukhov, A. Starovoytov, S. Stepashin, P. Shirshov, and S. Yushenkov.

The little "s" letter in the number stands for "classified" [sekretnyy]. KRASNAYA ZVEZDA obviously does not publish anything without orders from Mr. Grachev himself. Hence, the general deliberately decided to share the "co-authorship" of the Chechen operation with 11 other leaders, including that "scumbag" Colonel Yushenkov. He thereby gives a reminder, for the benefit of absent-minded but terrible President Yeltsin, that the excoriation "for Chechnya" should not be aimed at the defense minister alone, and sets before Chechen avengers a whole sheaf of targets. Since the presidential edict is classed as a civilian document, it is for the General Prosecutor's Office to investigate the divulging of a state secret, but since the "leak" was made by an army paper, Chief Military Prosecutor Valentin Panichev, who appears on the list, could press into service his detectives to investigate the case.

Defense Ministry Collegium Session Detailed

MM0303161495 Moscow KRASNAYA ZVEZDA in Russian 3 Mar 95 p 1

[Report by the Russian Defense Ministry Information and Press Directorate: "Session of Russian Defense Ministry Collegium"]

[FBIS Translated Text] On 1 March Army General Pavel Grachev, Russian defense minister, chaired a session of the Russian Defense Ministry collegium which summed up the preliminary results of the Armed forces' participation in the operation to restore constitutional order on the territory of the Chechen Republic.

It was noted that the Russian Federation Armed Forces carried out the tasks entrusted to them in the first stage of stabilizing the situation in Chechnya. Defense Ministry units and subunits completed the transfer of the occupied regions in Chechnya in their zone of responsibility to units and subunits of the Russian Federation MVD [Ministry of Internal Affairs]. At the same time, despite the considerable damage inflicted on Dudayev's formations, the rebels' resistance has not finally been broken yet. The state and prospects for the development of the situation present new tasks whose solution will require some units and subunits of the Russian Federation Armed forces to remain on Chechen territory on a permanent basis.

The participants in the session analyzed in detail the shortcomings which emerged during the preparation and conduct of the operation to disarm the illegal armed formations. In particular, there were expressions of concern at the clearly inadequate staffing of combined units and units.

The collegium outlined a number of concrete measures to further improve the training of troops in the light of the experience gained during the operation to restore constitutional order in the Chechen Republic. The special need to create an effective system of educational work in the army and navy was stressed.

Lebed Discusses Chechnya, Pinochet Example

AU0303123795 Zagreb GLOBUS in Serbo-Croatian 17 Feb 95 pp 10,11

["Exclusive" interview with General Alexander Ivanovich Lebed, commander of the 14th Russian Army, by Antun Masle; place and date not given: "If I Become Russian President, I Shall Rule According to the General Pinochet Model. He Killed Only 3,000 People and Then Brought About a Real Economic Wonder in Chile."]

[FBIS Translated Excerpt] During my recent visit to Groznyy, Chechen soldiers, who controlled a large part of the town at that time, mocked at the Russian Army and its generals. They told reporters that Russian soldiers aimlessly roamed the streets, that they attacked tanks without infantry support, that whole units were trapped in ambushes....

One Russian name in Groznyy aroused fear in all Chechens, however. Everybody kept on repeating: "We hope that we shall not have to fight against General Lebed and his 14th Army."

Alexander Ivanovich Lebed is one of the youngest Russian generals, he is the commander of the 14th Army with its headquarters in Tiraspol in Moldavia.

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He is the only Russian officer respected by the courageous Chechen soldiers, who get used to arms even as children. His name has been frequently mentioned in reports about the Chechnya conflict. Lebed gave many interviews about Groznyy, and instead of threatening the Chechens, he sharply criticized the Russian military leadership. Since the beginning of the conflict in Chechnya, Lebed, who is said to be the only incorruptible Russian general, has brutally attacked President Yeltsin and Pavel Grachev, the defense minister. He has called them "corrupted, irresponsible and incompetent politicians."

Russians are fond of him because of these remarks. Apart from that, his appearance and a stiff military behavior remind many people of recent Soviet times and the powerful Red Army.

Boris Yeltsin appointed Alexander Lebed commander of the 14th Army at the time when open war raged in Moldavia. After Moldavia became independent and took the Romanian name of Moldova, the Gagauzians, the descendants of the Turkish immigrants as well as the inhabitants of the Dniester region, Russians and Ukrainians, began to rebel. They declared their own independent state, which was given the name of the Russian Moldavian Republic, and they soon openly fought with the legitimate forces of Moldova.

Lebed calmed the situation in Moldavia and deployed most of his forces in the Dniester region pretending to protect the Russians and the Ukrainians there, by which he naturally antagonized the Moldavians, so that Moldavia resigned from the Association of Independent states in 1993, and Moldavian authorities required that the 14th Army leave its territory. Moscow did not agree to that. According to the latest agreement, the 14th Army will stay there for three more years at least, allegedly to prevent the situation from deteriorating.

Yeltsin tried to remove Lebed by transferring him to the position of commander of the Russian troops in Tajikistan, but he refused this command and returned to Moldavia. He soon proved to be disobedient to Yeltsin by refusing to send his soldiers to Chechnya.

His popularity among Russian soldiers has not gone unnoticed in the West. Some Western analysts predict that Lebed might leave the army and run in the next presidential election as the representative of the nationalist rightist movement and seriously endanger Yeltsin.

We talked to Alexander Ivanovich Lebed at the office of the 14th Army Command in Tiraspol, the capital of the unrecognized Russian Moldavian Republic.

[Masle] You spent a large part of your career as an officer of the superpower Soviet Union. How would you comment on its collapse and the recent war in Chechnya?

[Lebed] I was born on 10 April 1950 in Cherkessk. I grew up, attended school, and completed university there. I spent the largest part of my career commanding elite infantry units until the moment when I was appointed commander of the 14th Army by President Yeltsin. I am married with two children and two grandchildren and I can say that my life has developed in a normal way. What I learned at the military university, I have been applying for 10 years already and I am constantly improving my knowledge.

During the transformation a dual morality appeared in the whole of the former Soviet Union. People have one thing in mind, they say another, and do a third. They do not think of their future life at all. This question is simply neglected by both those who should have asked it as well as by those who should have responded to the question of how to resolve problems in a civilized way, without a war.

Boris Yeltsin was elected Russian president in June 1991, and on 8 September 1991 Dudayev was elected president too, as one of the first presidents in the federal Russia. The people who elected him will see whether he is a good or a bad president. If he had been elected in an illegal way, if he were an illegitimate president, this problem should have been solved as soon as he was elected, or by 1992 at the latest. Instead of solving this problem, we left all possible weapons and military technique behind.

The Russian Army left the Chechen territory slowly, tactfully, without using force, without provocation. It endured President Dudayev for three years and three months, but since he did not make use of the possibility to reach a solution through negotiations, it immediately came to a war. It seems that someone needed a small-scale victorious war for the promotion of his political aims, but this conflict developed into a large-scale bloodbath, the city of Groznyy was completely destroyed. Approximately 10,000 people died, and a solution has still not been reached. Someone should be made responsible for that. Apart from that, if the conflicts in Chechnya do not stop, a war may break out over the whole of Caucasus that will destroy the whole region.

[Masle] In the rare statements you have issued, you have attacked President Yeltsin and Mr. Grachev, the defense minister, requiring them to take responsibility for the war in Chechnya....

[Lebed] Everybody claimed that nobody in Russia was responsible for the war in Chechnya. I think, however, that Mr. Grachev, the defense minister, the minister of internal affairs, and Mr. Gligorov [name as published], the former prime minister, should resign because of their responsibility for that war.

I criticized them exclusively because of their unprofessional attitude. Bad financial conditions can make events develop in an unfavorable way, but it is not enough to claim that Dudayev is a bad man who leads Chechens into disaster. We could have imposed an embargo on him, we could have controlled the border and negotiate with him at the same time. The army can do all this, it should discuss these matters more seriously.

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The army must fulfill its professional tasks, but it must prevent conflicts too. It is perhaps possible to reach a solution by applying political and economic measures, but there must always be a force in the background that will be able to perform tasks it will be required to at any moment if a solution cannot be reached in a peaceful way.

There must be a single command at the army, we must go back to military postulates that have been forgotten. The army went to Chechnya as if it were going to a banquet, it lost many people, destroyed the town, fortified itself and thus provoked attacks by Chechen partisans. This enabled Dudayev's authority to grow, so that there are many people in Chechnya now who do not want to hear about the unique aims of the whole of Russia. Apart from all this, children were killed and homes destroyed.

[Masle] Did you really refuse the order given by President Yeltsin to send a regiment to Groznyy? Did you at the same time require that he prove that he was not corrupt?

[Lebed] I did not talk with President Yeltsin and I did not reject the order. Nothing was proposed to me, I only expressed my own opinion about that issue. This was pure nonsense in my opinion! I am not used to being silent; I had to say that it would all end in a bloodbath. I was ready to prepare a regiment for Chechnya, but not for the sake of politicians who know that their children, grandchildren, relatives, and friends, let alone they themselves, will not be going to war.

They can easily require someone to form a regiment since their own lives are not at stake. Such a regiment entered Groznyy in the night between 31 January and 1 February 1995 without having a plan or clearly defined tasks....

[Masle] How would you solve the problem in Chenchnya?

[Lebed] First of all, I support negotiations. I think that the worst peace is better than a bloodbath. Therefore I recommend negotiations in order to solve the Chechen problem; a peaceful solution and negotiations, because we have to consider the neighboring states too. A war could spread to their territory and even further, to the whole of Caucasus.

Those who want to wage a war and win it in a short period of time have to consider everything and make a plan first. Apart from that, cities must not be destroyed! All big wars throughout history have been bloody, but they have never placed the enemy in the horrible position in which he can only fight bitterly. All this was written a long time ago: Why should we pay the price for something that could have been avoided?

[Masle] Do you still insist that someone take responsibility for the thousands of dead in Chechnya?

[Lebed] I do not discuss this frequently. Neither do I discuss the huge corruption, but when I do say something, it refers to a specific person. The commanders of the German army are quite certainly corrupt. This was confirmed by President Yeltsin himself, and he removed some officers, Burlakov, for example [sentence as published].

[Masle] You have often mentioned corruption in the Russian Army. What are the reasons for it, and how widespread is it?

[Lebed] How is corruption possible in Russia? There is no economy, there is a social system without any control, there is complete apathy.... The economy should be revived, clear laws should be passed, problems should not be solved with bribes but with legal remedies. There is no corruption in countries in which a firm legal system functions.

[Masle] What was the 14th Army's role in conflicts in Moldova in 1992? Your soldiers are still in the positions they were in three years ago...

[Lebed] Our role is explained in a way that is convenient for different people, but both sides—the one publicly, and the other one in lobbies—admit that the army is the guarantor of peace and security in Moldova. It is the military and political guarantor of peace in that part of the Soviet Union. The situation is still relatively tense. A dialogue between the parties to the conflict is still necessary, it is very often interrupted, or it goes only very slowly. The politicians should seriously try to solve this problem. As long as it has not been solved in the political way, as long as there are no firm international guarantees for peace, there could be serious consequences.

[Masle] You have mentioned that it is necessary to solve the conflict through negotiations, but people consider you a supporter of the "firm-hand policy" and it is claimed that you prefer military solutions.

[Lebed] I know that war is the wrong way. All the wars in history, regardless of whether they were short or long, have ended in negotiations. Regardless that one warring faction wanted to strangle the other with its bare hands, thereby destroying its own economy and throwing the country back for centuries, everything has always ended in negotiations.

Therefore, what is war good for? It is a lot of nonsense. There is no situation to which two people or two states cannot find a peaceful solution if there is good will. Therefore, I have always tried to find a peaceful, civilized outcome to conflicts, since it is senseless to make war. The use of force does not give anybody a great chance of success. The authorities and powers must show good will.

[Masle] The Western media are announcing your rise to a position in the leadership of the Russian Army and there are even rumors that you might become defense minister.

[Lebed] I cannot give you an answer to this question.

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[Masle] According to the agreement between the Republic of Moldova and the United States, the 14th Russian Army should withdraw from Moldova by 1998. Do you expect a new war to break out after you leave?

[Lebed] A whole package of political and economic problems has still to be solved. If no progress is achieved, the army will stay in Moldova. If you ask me whether it is normal that the army is there now, my answer is positive. Should it leave the country? Yes, it should. But the question is when. After the conditions have been fulfilled. The departure of Russian troops from Poland, Mongolia, the Czech Republic, Hungary and other states, which was blithely easily signed by Shevardnadze, was realistic and humane. Today it is no longer possible to form such a division that would endanger the sovereignty of a state. Ten percent of the officers in our army live very well today and enjoy all privileges, but at the same time they are not trying to save what they have been entrusted with. It is possible to solve the present problem in Moldova voluntarily; it is possible that the 14th Army simply lays down its arms and leaves the country, but I do not think that the time has yet come for that. Such a decision would only create new problems. Therefore I think that a serious solution to the problem, a compromise, should be found.

[Masle] What is the present role of Russia in Europe, especially regarding the explicit German interest in the territory of the former Soviet Union as well as regarding the army's interest in the problem in Moldova?

[Lebed] I do not think that Germany has yet succeeded in achieving the leading position in Europe; at the same time, the United States has significant influence in many fields, as can be seen even in Romania and Moldova.

[Masle] Should Russia change its policy toward the war in former Yugoslavia?

[Lebed] Why should it? We are not entitled to give anybody advice on how to solve a certain problem. It is only natural, however, that help should be provided if help is needed. We should participate together with the whole world in the search for a solution. What could be recommended in your case? The whole world, including Russia, should help establish peace in the former Yugoslavia, but the peoples in the former Yugoslavia should seriously consider negotiating themselves. The more they fight, the more victims there are, the economy and towns are destroyed more every day, but some day peace will come anyway and this can be reached only through negotiations. War is the way back. People should consider how to live together and not how to fight one another.

[Masle] During the events in Moscow in 1991 you commanded the unit that defended Boris Yeltsin and the presidential palace. You later stated that you had not understood the core of the conflict at the time. Today many think that you will be running for the presidential palace soon.

[Lebed] I have never supported the use of force. I refused to defend the [Russian] White House and the communists hidden there. I was led by common sense. These generals, extremist communists, who installed themselves in the Russian capital, in the White House, dared to discuss the destiny of Russian people. These people did not think of peace, and therefore I decided to defend common sense in order to avoid a bloodbath. I was travelling a lot at the time and could not seen any communist signs and red stars anywhere, but the generals in the White House still wanted to impose them upon us.

[Masle] Do you regret the Soviet Union's collapse? How would you compare present-day Russia with the former Soviet superpower?

[Lebed] Can they be compared at all? The Soviet Union was a proper, powerful state, which collapsed, unfortunately. This state is not any longer in the people's hearts, but it is still in their memory, in their heads. Time will tell whether I am right or wrong. Within this destroyed house, there have now been created small sovereign states with various pretensions and unilateral policies. They do not yet have economies or societies of their own, because consciousness about the state has not developed yet. It is still not known how all this will end and whether they will survive as independent and sovereign states.

[Masle] You have attracted much attention in the West with your statements that Russia needs a dictatorship according to the General Pinochet model. Will he be your model if you run as a presidential candidate in 1996?

[Lebed] This general, who was called a butcher and dictator, was an able politician who only killed 3,000 people during his 18-year rule, which resulted in the Chilean economy flourishing. More people than that are killed here in a day, our economic situation is getting worse from one day to the next, and yet nobody considers our people butchers.

Moscow To Launch Three Spacecraft on 7 March

LD0503150095 Moscow Russian Television Network in Russian 1100 GMT 5 Mar 95

[From the "Vesti" newscast]

[FBIS Translated Text] The Russian military space forces are planning to launch three spacecraft of the global navigation system Glonass on 7 March. Altogether it is planned to place more than 20 spacecraft in the orbit, eventually making it possible to locate any object on the Earth with the accuracy of down to 100 meters.

Federal Assembly

LDPR Role in Budget Approval Process Viewed

954F1574A St. Petersburg NEVSKOYE VREMYA in Russian 25 Feb 95 p 1

[Unattributed report: "LDPR Votes for Any Laws"]

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[FBIS Translated Text] *The draft 1995 budget was finally adopted by the State Duma in the third reading and may now no longer be called a draft. It was supported by 273 deputies and opposed by 93, with three abstentions. Such a large number of participants in the vote was due only to the fact that yesterday the LDPR [Liberal Democratic Party of Russia] lifted its boycott, and swore to the Duma that it will vote for all laws, including the budget, since it does not want the parliament to be accused of blocking the government's activities aimed at stabilizing the national economy. Naturally, only Vladimir Zhirinovskiy could make such a statement. Actually, the leader himself abstained during the budget vote.*

Communists and other discontents voted against the budget, which envisaged revenue of R175 trillion, a deficit of R73 trillion, and, consequently, expenses of R248 trillion.

Yesterday, before approving the budget in the third reading, the State Duma decided to add R1.7 trillion for fundamental science and voted for this amendment. The money was initially supposed to be taken out of appropriations for the bodies of state administration. However, government representatives immediately stated that a maximum of R300 billion could be shaved off this line item, because otherwise either the expenses of all organs of authority, ministries, and agencies would have to be cut proportionally by a rather substantial amount, or some of them would have to be selected for slaughter and closed (the latter actually was meant as a joke). Perhaps the Russia's Choice and Communist Party of the Russian Federation deputies, who initiated the amendment, seriously considered the possibility that the State Duma itself may fall victim to it.

The amendment was also passed in the "National Defense" part. The money for current maintenance of the military was cut by R1 trillion, and this amount was moved to procurement of armaments and hardware and R&D and testing and design work. Aleksandr Piskunov, deputy chairman of the Duma Committee on Defense, remarked, however, that this redistribution is unlikely to be implemented, since the Ministry of Defense uses the appropriations the way it sees fit and not the way it is written in the budget.

After the vote, Minister of Finance Vladimir Panskov expressed his satisfaction with its positive results. First Deputy Prime Minister Anatoliy Chubays was more categorical. As he put it, the third reading of the budget is "a principal phase; we have turned the corner after which the decision is predetermined." Also, in Mr. Chubays' opinion, "budget approval by line item is another powerful factor reaffirming the immutability of our course." And the substance of this course, as the first deputy prime minister once again reminded journalists, is the tightest possible budget aimed at sharply cutting inflation. Both Vladimir Panskov and Anatoliy Chubays also said that adopting in the third reading a budget that is mainly based on the government concept also will have a positive impact on negotiations with the International Monetary Fund's mission on the subject of granting Russia a loan in the amount of $6 billion.

Budget Passage in Fourth Reading Seen as 'Formality'

MK0403090095 Moscow SEGODNYA in Russian 4 Mar 95 p 2

[Report by Dmitriy Kuznets under the "Finale" rubric: "R300 Billion To Be Set Aside Additionally for Needs of Science"]

[FBIS Translated Text] The budget's passing of its fourth reading in the Duma is expected to prove a pure formality in accordance with the law. Preparing for it, however, is very hard going. The specialized Duma committee promised to complete the procedure of "putting together" the budget by the first day of the scheduled session—10 March. The actual task before the Federal Assembly and the president is to get the budget passed before the end of the first quarter of 1995. They are also supposed to demonstrate their dedication of purpose to the IMF, talks with which are close to completion. Whatever happens, substantial changes in timing or in the law on the passage of the budget are no longer possible.

The Duma, at the time of the first vote, agreed on the rules proposed by the government. The most important of them was "covering the budget deficit by other than issuing more money." To honor this principle at least on paper, the Duma had to have an improved "belief" in the government that it would take "no more than 0.5 percent of GDP" for the military operation in Chechnya and the consequent elimination of its consequences. Without having set aside funds for Chechnya as a separate item in the budget, the deputies made the financing of the war and rehabilitation effort a problem for individual ministries. Without a doubt, the state's exigencies compel all participants in the Chechen process to spend money precisely in the Northern Caucasus to the detriment of all the other programs.

The main "technical" problem remaining in the law following the third reading was resolved by the budget committee rather quickly. Having unanimously passed the "Russia's Choice" amendment on appropriating additional sums for science by cutting funds for state administration, the deputies could not finally agree which sum (1.7 trillion or 300 billion) they had voted on. The snag was resolved by the budget committee in favor of state administration, which spared deputies the need to go on indefinitely long forced and unpaid vacations.

"Russia's Choice" member Aleksandr Pochinok, who is taking part in "putting together" the budget, said his faction never wanted to rob state bodies of 1.7 trillion rubles. In his words, science does indeed need this sum, but a collapse of the state apparatus is not part of "Russia's Choice" plans. Which, as a matter of fact, does

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not free the authority from the need to reduce its own expenses by the time the 1996 budget comes up for first reading.

Chambers' Dispute Over Central Bank Law Outlined

MK0303130095 Moscow KOMMERSANT-DAILY in Russian 3 Mar 95 p 2

[Report by Boris Boyko: "Law on Central Bank Destabilizes Parliament. Direct Appeals to President"]

[FBIS Translated Text] At its sitting yesterday the Federation Council once again resorted to the practice of resolving situations of conflict with the other branches of power by adopting direct appeals to the president. The day before, as it discussed agrarian problems, a similar appeal was adopted with a demand for presidential intervention in the federal government's agricultural policy. This time around, the senate decided to defend its vision of the law on the Central Bank after the State Duma threw out its veto and forwarded the law for the president's signature. The Federation Council appealed to Yeltsin not to sign the law. Instead, a Federal Assembly commission should be created to reconcile the chambers locked in conflict.

The substance of the Federation Council's objections to the law "On Amendments to the RSFSR Law 'On the Central Bank of the RSFSR (Bank of Russia)'" which, it should be noted, are not quite the same after the law was turned down on 8 February, is as follows. Article 2 of the law passed by the State Duma rules that the state is not responsible for the Central Bank's commitments, and the Bank of Russia is not responsible for the state's commitments. In the Federation Council's view, the first part of this provision should be taken out, that is to say, the state ought to be responsible for Central Bank commitments. The grounds are simple: Under Article 71 of the Constitution, the state is in charge of financial and hard currency regulation, as well as of emissions of money. Under Article 4 of the law on the Central Bank, these functions are to be handed over to the Central Bank. Remarkably, the Federation Council did not point to this problem when it turned down the law the first time. This objection must have appeared following the address in the State Duma by Central Bank acting chairman Tatyana Paramonova, who suddenly wanted the above formula changed. She made no such request, though, when the State Duma first looked at the law.

At the time, Duma specialists drew deputies' attention to the second part of the above proposition, pointing out that the state and the Central Bank shall not be responsible for each other's commitments except in the sole case that "they assumed such commitments or if federal laws rule otherwise." The close attention both the parliament chambers displayed to—without having to agree to—the question of pay to Central Bank staffers, there appeared one more new proposal—to establish a clear-cut procedure for setting the size of pay for Central Bank employees, and to set a limit to the amount of funds derived from Central Bank profits "toward social and other services" to Central Bank employees. To all appearances, Tatyana Paramonova's recent explanations on this matter were not a success in the upper chamber.

As for the Federation Council's still earlier objections, the upper chamber thinks the law is not clear enough on the Central Bank's status as a state institution; also in need of being corrected are the provisions on the powers of the Central Bank in managing property on its balance sheet.

Sliva Comments on Local Self-Government 'Dangers'

954F1601B St. Petersburg NEVSKOYE VREMYA in Russian 28 Feb 95 p 1

[Comments of Anatoliy Sliva, chairman of the State Duma Local Self-Rule Committee, recorded by Vladimir Borisov and Viktoria Rabotnova, under the rubric "Firsthand"; place and date not given: "Let Us Not Pretend"]

[FBIS Translated Text] On 15 March the State Duma will begin discussing the draft laws, and I am convinced that we are looking at a serious "fight"—too many different interests are going to clash. At the same time, it is obvious that quite powerful forces in Russia absolutely do not want local self-rule, which they cannot order from "above," which has a right to independent resources, property, and budget, and that they will do everything possible to block this issue.

Two dangers are lurking in the shadows. One is that having given administrators the right to form the structures of local self-rule, we will get "norm-making" that will be hard to call anything but mockery. Look at the situation in Moscow: The draft city charter, submitted by the mayoralty, proposes to retain in the future the current "by appointment" model, whereby heads of municipalities, instead of being elected by the population or corresponding municipal committees, are appointed by the mayoralty, and under them decorative collective organs consisting of five to seven persons exist, which have only the right of consultative vote under the boss. What kind of local self-rule is this? A parody! And the second danger comes from numerous regional chiefs—kray and oblast governors—they very zealously protect their right to determine forms of local self-rule "to fit themselves," in a form convenient to them, without deferring to the federal law. Let us not pretend: Unless we counter these inclinations and protect by law citizens' right to local self-rule, we risk finding ourselves in a situation where governors will completely become omnipotent masters of their provinces.

Justice Minister Views Local Self-Government

954F1601A St. Petersburg NEVSKOYE VREMYA in Russian 28 Feb 95 p 1

[Comments of Russian Federation Minister of Justice Valentin Kovalev, recorded by Vladimir Borisov and Viktoria Rabotnova, under the rubric "Firsthand"; place and date not given: "There Are No Laws, or Money Either"]

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[FBIS Translated Text] We do not have a firm, consistent legal position on how to organize local self-rule in the country. I must say that the attempt to introduce it from "above" has failed. The law adopted in 1991 has never been implemented, and the presidential edicts that followed it, although important for their time, are not operating today since they are hopelessly behind the new constitution. In this legal vacuum, Federation component decisions began to appear that conflict with one another and in a number of instances the basic law as well.

There are three draft laws in the State Duma on the matter of self-rule: one submitted by the president, two—by deputies. We in the Ministry of Justice came to the conclusion that we need to support the president's draft, since it is in full conformity with the so-called European charter on local self-rule.

Absence of laws is not the only problem, though. Local organs need a strong financial base. But in practice the least profitable enterprises are transferred to the local authorities. Direct confiscation of municipal property is also underway. In addition, some decisions of the federal authorities and Federation components' organs of authority—for instance, on refugees or settlement of military servicemen—in practical terms shift all expenses onto the local authorities, despite the fact that this may completely bankrupt them.

Regional Affairs

Reportage, Commentary on Military Conflict in Chechnya

Launch of Spring Offensive Viewed

MK0303094095 Moscow KOMMERSANT-DAILY in Russian 3 Mar 95 p 3

[Report by Dmitriy Kamyshev under the "Situation over Chechnya" rubric: "Federal Troops Cancel Spring's Arrival by Ultimatum"]

[FBIS Translated Text] The first day of spring confirmed suggestions by many analysts about the upcoming aggravation of warfare in Chechnya: Yesterday hostilities resumed both in the vicinity of Groznyy and on the approaches to population centers controlled by Dudayev forces in western and eastern Chechnya. Since along with the warm season convoys with arms and volunteers may start heading for the republic, the military appear to be trying to deal a lethal blow to Dudayev's supporters even before mountain routes become passable.

The federal troops have effectively launched their spring offensive, but before assaulting Argun, Shali, and Gudermes, located southeast of Groznyy, the military decided to secure their rear in the west. On Thursday they demanded that defenders of Samashki village, near the Groznyy-Nazran road, give up arms, threatening massive artillery fire on the village if they do not comply. According to representatives of the Russian military command, Samashki is one of a number of "formidable strongholds" set up by Dudayev's supporters after their departure from Groznyy. Until recently, however, the federal troops devoted much less attention, bombing, and shelling to this village than to towns in southern and southeastern Chechnya.

Since the ultimatum to the defenders of Samashki, which expires by this morning, marks a start to a new aggravation of warfare in Chechnya (shelling of Groznyy's southern and southeastern suburbs resumed yesterday), an assault on Argun, Shali, and Gudermes can be expected over the next few days. The possibility of an easy victory, of which the Russian defense minister spoke on Wednesday, raises serious doubts, however: At any rate, Pavel Grachev's subordinates have till now failed to force the Dudayev forces out of the villages of Chernorechye and Novyye Aldy near the Chechen capital.

The possible assault on yet further "citadels of separatism" will achieve one important objective, though: A new offensive by the Russian troops will convincingly demonstrate who is actually in charge of the Chechen operation and whose words—Oleg Soskovets' about peace or Pavel Grachev's about war—are being put into practice in the first instance.

Deynekin Denies Long-Range Aviation Used

LD0303150195 Moscow INTERFAX in English 1425 GMT 3 Mar 95

[FBIS Transcribed Text] Moscow, Mar 3 (Interfax)—Over the period of military operations in Chechnya, illegal armed formations have shot down one (SU-25) and damaged 14 federal planes, including an IL-76 cargo aircraft. The statement was made for Interfax by Russian Air Force Commander, Air Force Colonel-General Petr Deynekin.

He flatly denied the allegations by Dudayev supporters to the effect that long-range planes bomb targets in Chechnya. He said that only combat aviation is engaged in such operations. "Long-range planes were used only at night to light the area of hostilities by aircraft flares," said Deynekin.

He said that the combat aviation in Chechnya is mainly used for aerial reconnaissance.

He denied the reports on bombardments of Shali, Argun and other settlements. "Precise strikes are made against fire points, strongholds and ammunition depots of the militants, which are situated outside the settlements," he said.

Interior Troops Control Aldyr Settlement

LD0303171895 Moscow ITAR-TASS in English 1614 GMT 3 Mar 95

[By ITAR-TASS special correspondent Sergey Ostanin]

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[FBIS Transcribed Text] Mozdok, Northern Ossetia, March 3 TASS—Interior troops today gained control over the Aldyr settlement within the Groznyy limits, sources at the press center of the Russian Federal Troops Command told ITAR-TASS today.

According to the press center, the last stronghold of Dudayev militants is the Chernorechye borough on the southern outskirts of the Chechen capital. The borough has been fully blocked by Russian troops.

Babichev Promoted at Farewell Ceremony

LD0303183895 Moscow ITAR-TASS in English 1757 GMT 3 Mar 95

[By ITAR-TASS correspondent Sergey Luchnikov]

[FBIS Transcribed Text] Pskov March 3 TASS—Major General Ivan Babichev, commander of the Russian Pskov Airborne Division, has been promoted to the post of an army corps commander.

At a farewell ceremony which took place today at the division's training ground, Babichev handed the banner of the Pskov Division to his successor Colonel Aleksandr Popov.

General Babichev played a significant role in the Chechen operation commanding the Western Army Group of Federal Troops.

Peace Conference Reportedly Set For 14 March

LD0303203395 Moscow ITAR-TASS in English 1925 GMT 3 Mar 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow March 3 TASS—Vladimir Lysenko, deputy chairman of the Duma Committee for Affairs of the Federation and Regional Policy, described claims of Chechen Parliament Speaker Yusuf Soslambekov on plans of Chechen division as "slander".

Soslambekov told a news conference at the State Duma earlier this week that the presidential structures have allegedly prepared a plan to divide the Chechen Republic into two parts - northern and southern. Soslambekov referred to the opinion of Kremlin experts who allegedly prepared a corresponding document for President Yeltsin.

Lysenko told a news conference here today that a conference with the theme "peace initiative in the Caucasus" will be held on March 14 in Moscow to be attended by the Russian president, the prime minister, the parliament speakers and the constitutional court chairman. In the words of Lysenko, the conference idea is supported by heads of many constituent members of the federation. Patriarch of Moscow and all Russia Aleksiy II and other clergymen of various religions have agreed to participate in the conference.

The conference plan was made by the Russian Parliament. It has been tested by other power structures and supported by Chechen leaders headed by Salambek Khadzhiyev. "We aim to gather everyone who stands for peaceful settlement of the Chechen conflict and replace the military stage with peace talks," said Lysenko. In his words, the conference is expected to elect an authoritative commission to mediate Moscow and the Chechen side in Chechen settlement and preparations for Chechen elections.

Chechens Said 'Unwilling' To Discuss Peace

LD0403105195 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 4 Mar 95

[FBIS Translated Text] The federal troops command in Chechnya has accused Dudayev's supporters of being unwilling to hold peace talks. In Mozdok no reply was received from the Chechen side to Russia's peace proposals.

Meanwhile, combat operations continued on Groznyy's southern outskirts on Friday. Moreover, the Russian Air Force bombed the inhabited localities of Sernovodsk and Assinovskaya in the west of the Chechen Republic.

Russia Faulted for Peace Talks Failure

LD0503154895 Moscow INTERFAX in English 1425 GMT 5 Mar 95

[FBIS Transcribed Text] NAZRAN, Mar 5 (Interfax)—Talks between Russian and Chechen military officials planned for March 4 in Ingushetia failed to take place because of Russia, Ingush State Advisor Petr Kosov told Interfax today.

He said Commander of Federal Troops in Chechnya, General Anatoliy Kulikov had ordered not to let the Chechen delegation pass through the populated centers of Sernovodsk and Samashki in the West Chechnya. The Chechen delegation was headed by Chief of the Chechen Armed Forces Headquarters Aslan Maskhadov.

Kosov said the telephone consultations conducted by Ingush Vice President Boris Agapov with the Russian military officials on Saturday had been in vain.

Kosov said, "Russia is now conducting the dialogue as an ultimatum."

He said Russia was just calming itself when affirming that resistance of Chechnya had become weaker. "The war has step by step become partisan. Attacks on the towns of Argun and Shali are only aggravating the situation," Kosov added.

He said he believed that actions of the federal troops' command in Chechnya could lead to annulling the protocol calling for ceasefire signed by Head of the Federal Territorial Department in Chechnya Nikolay Semenov and Chechen Mufti Mukhammad Alsabekov last Thursday.

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Kosov said that the Ingush leaders were not going to cease their mediatory activities for continuing Russian-Chechen dialogue despite the failure of the military talks.

He said the situation with exchange of prisoners, now suspended, was not clear.

Ingush Vice President Boris Agapov met with Chechen Mufti Mukhammad Alsabekov today. Well-informed sources said they had discussed holding talks between the Russian and Chechen military command and government delegations.

Rebels Fortifying Positions Near Argun

LD0403112195 Moscow ITAR-TASS in English 1111 GMT 4 Mar 95

[FBIS Transcribed Text] Moscow March 4 TASS—"According to a report from the mobile information centre in Chechnya, no active combat operations were registered in the Chechen Republic over the past 24 hours," says a statement by the Russian Government press service, which was received by ITAR-TASS on Saturday.

"At the same time, Dudayev's gunmen fired on strongholds of federal troops from firearms and mortars in some places mostly at nighttime. Enemy firing emplacements were quashed by return fire.

"Federal troops detected and seized several armoured vehicles and firearms belonging to illegal armed detachments during mopping-up operations in areas freed from gunmen.

"Illegal armed detachments are building fortifications in the area of Argun city and several villages."

Militants Active Near Ingush Border

LD0403151095 Moscow ITAR-TASS in English 1443 GMT 4 Mar 95

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Transcribed Text] Mozdok March 4 TASS—Large militant units remain active in Chechnya, ITAR-TASS was told today in the press centre of Chechnya-based Russian troop command.

The units are located near Sernovodsk, Samashki, Bakhmut and Achkhoi-Martan, which are residential areas near Chechnya's border with Ingushetia.

The press centre said the Chechen fighters use a new tactic which is to avoid long staying at bases. After a military action is over, the fighters pack and hide arms, and scatter to their homes within two-three days.

The Dudayev forces do not stop bids to recruit civilians into their units. The clergy of Alkhan-Kala call on residents to join in "a holy war", the press centre said.

Parents of captured Russian servicemen are exposed to hard pressures. As an example, parents of five POW men of a motorised infantry regiment were demanded 100 million rouble ransom in exchange for releasing their sons.

Red Cross Accused of Spying

LD0503095695 Moscow ITAR-TASS World Service in Russian 0602 GMT 5 Mar 95

[By ITAR-TASS special correspondent Sergey Ostanin]

[FBIS Translated Text] Mozdok (North Ossetia), 5 Mar—The interior troops of the Interior Ministry of the Russian Federation in Chechnya have stepped up searches of citizens and transport at two checkpoints with the aim of detecting criminals and weapons. An ITAR-TASS correspondent was informed of this today by a spokesman for the public relations center of the Russian Interior Ministry in Mozdok. According to him, attempts by Dudayev supporters to slip into the combat zone have been registered. Ukrainian nationalists operating in the guise of activists from the Red Cross and Doctors Without Borders international organizations have on occasion appeared at checkpoints.

The Interior Ministry spokesman in Mozdok says that activists from these organizations are systematically questioning refugees, prisoners, and local residents about events in Chechnya and the regions it borders, as well as photographing certain installations in Groznyy and neighboring rayons. These organizations are also conducting visual observation of movements by troop columns—this does not accord with their tasks. The military claim that individual activists from the Red Cross and Doctors Without Borders are using technical reconnaissance devices.

Militant Positions Attacked West of Groznyy

LD0503145395 Moscow ITAR-TASS World Service in Russian 1320 GMT 5 Mar 95

[By ITAR-TASS special correspondent Sergey Ostanin]

[FBIS Translated Text] Mozdok, North Ossetia, 5 March—The federal troops have today carried out artillery and air strikes against the Chechen armed militants' positions along the road connecting the villages of Samashki, Achkoy-Martan, and Bamut, west of Groznyy, and took control of this road, the ITAR-TASS correspondent was told at the press center of the command of the joint group of the federal troops in Mozdok.

At the same time the press center denied reports of Samashki itself being bombed. This does not correspond to reality, the ITAR-TASS correspondent was told at the press center. The press center also explained that Samashki was not bombed because the administration of the village had expelled armed militants from its territory.

According to the press center, on Friday the joint forces seized two T-72 tanks, three armored vehicles, and two 12mm grenade launchers with ammunition from armed militants in the region of Aldy and Novye Promysly.

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Discord Among Chechen Leaders Claimed

LD0503152495 Moscow ITAR-TASS in English 1502 GMT 5 Mar 95

[FBIS Transcribed Text] Moscow March 5 TASS—The press service of the Russian Government issued the following statement on Chechnya on Sunday: "According to reports from the mobile information center, no radical changes have occurred in the military and political situation in the Chechen Republic over the past 24 hours. On the southern outskirts of Groznyy, minor armed clashes took place. Illegal armed groups carried out occasional attacks along the left bank of the River Argun.

"The social base of illegal armed groups has been inevitably shrinking lately, causing such actions on their part which lead to greater confrontation between the militants and civilians. For example, in the village of Alkhan-Yurt, in response to the elders' ban on their presence in the village, militants carried out a raid at night, during which they plundered several houses. This and other numerous facts of arbitrary actions on the part of militants who are taking vengeance on the local population for lack of support and assistance force villagers to organise a defence using their own forces. For example, in the Nozhay-Yurtovskiy district, the elders of the villages of Simsir, Zandak and Baitani urged all males who have guns to set up posts and organise overnight patrolling in their villages. In the village of Zandak, residents have destroyed the gas station which had been used by militants and erected barricades from logs, stones and concrete on all access routes. Similar things are happening in the villages of Starye Atogi, Goity and Urus- Martan.

"The diminishing support of the local population for militants provokes disagreements along the leaders of illegal armed groups. This has been borne out by the fact that during his meeting with the residents of the village of Shali, Chechen military chief Aslan Maskhadov said that '...The possibilities and resources for armed struggle are exhausted. Further resistance is pointless.' In response, (Chechen President Dzhokhar) Dudayev and (Chechen Vice- President Zelimkhan) Yandarbiyev arrived in the village shortly after that to deny Maskhadov's statement and urge the people to step up resistance."

Air Attacks on Mountain Villages Detailed

LD0503155395 Moscow INTERFAX in English 1425 GMT 5 Mar 95

[FBIS Transcribed Text] GROZNYY, Mar 5 (Interfax)—The Russian Air Force bombarded and fired missiles at mountain villages of Dyshni-Vedeno and Kharachoy of the Vedeno District in Chechnya Saturday, Movladi Udugov, Chechen information service chief, told Interfax. He said that five people, three of them children, had been killed and 15 wounded, 10 of them children, in Dyshni-Vedeno while in Kharachoy 12 people had been killed and 38 wounded, some of them children.

According to Chechnya's State Defense Committee, Udugov said, the Russian Air Force also attacked the town of Argun and the villages of Chechen-Aul, Starye Atagi, Novyie Atagi, Samashki, Bamut, Alkhan-Yurt and Alkhan-Kala and the settlements of Chernorechye and Imeni Voikova in the suburbs of Groznyy which also came under artillery shelling.

Udugov said that Russian helicopter gunships also fired missiles and the Zavodskoy District and numerous neighborhoods of the Staropromyslovskiy District of Groznyy where skirmishes were continuing.

Udugov quoted a State Defense Committee report that Chechen units attacked numerous parts of Groznyy under Russian control during the night between Saturday and Sunday destroying two outposts of Russian interior troops in the Leninskiy District.

Offensive Mounted in Western Region

LD0503193595 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 5 Mar 95

[FBIS Translated Text] Federal forces today mounted a powerful offensive on western Chechnya with the support of aircraft and artillery, AFP reports. After nearly a week of static fighting, Russian forces attacked Achkoy-Martan, 40 km southwest of Groznyy. A Russian tank column today mounted an offensive on Gudermes, one of the Dudayev fighters' strongholds. The offensive was mounted from the direction of Ilyinskaya population center, AFP reports, quoting Chechen sources. Russian news agencies have not so far confirmed this report.

Federal Troops Begin Assault on Gudermes

LD0603070395 Moscow Mayak Radio Network in Russian 0500 GMT 6 Mar 95

[FBIS Translated Text] Yesterday afternoon, federal troops began an assault on the town of Gudermes, the second most important in Chechnya. According to a Russian television report, 150 Russian tanks took up positions within 20 km of the town.

Air Force Spokesman Denies Rebel Bases Bombed

LD0603144395 Moscow INTERFAX in English 1333 GMT 6 Mar 95

[FBIS Transcribed Text] MOZDOK, Mar 6 (Interfax)—A spokesman for the Russian Airforce in Mozdok "flatly denied" reports by Chechen sources on air strikes by federal jets against mountainous villages of Dyshni-Vedeno and Kharachoy of the Vedeno District over the past week-end.

"On March 3-5 the federal jets were not used in those areas," he said in a Monday interview with Interfax. "These reports with mentioning deaths among the civilian population are considered by the command as provocation," said the spokesman.

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He said that federal assault planes are mainly operating "on call" to support federal troops from the air. He said that over the past two days, the federal air force have bombed the positions of the illegal armed formations "to the south of the settlements of Samashki and Argun, as well as to the north of Bamut".

One of the tasks of the federal air force is the aerial reconnaissance of the Chechen territory, said the spokesman.

Archives Confirm Grachev-Dudayev Arms Talks

MM0603125595 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Mar 95 p 2

[Article by Musa Temishev, chief editor of newspaper KAVKAZ: "In December 1991 Grachev Openly Tried To Ingratiate Himself With Dudayev"—first paragraph is introduction]

[FBIS Translated Text] From KOMSOMOLSKAYA PRAVDA's file: Musa Gapurovich Temishev is chief editor of the independent newspaper KAVKAZ [Caucasus]. He graduated from the Faculty of Journalism at Moscow State University in 1976. Until 19 October 1993 he was chief editor of the Chechen government newspaper ICHKERIYA. He was dismissed from that post by an edict of the Chechen president—for "systematically insulting the president and the Cabinet of Ministers."

I happened to be "in the wings" during the events of which there is now a lot of talk in the press. Two telephone conversations, which I witnessed, shed light on the matter of the handover of Soviet weapons to Chechnya.

In December 1991 I was in the Chechen president's office at the moment when Defense Minister Shaposhnikov telephoned him. The previous day Dudayev's guardsmen had carried out a small trial robbery at one of the military units in Groznyy. Moscow was not slow to react: After his conversation with Shaposhnikov Dudayev angrily threw down the telephone receiver and spent a long time cursing the minister.

Soon after Grachev flew into Groznyy with his retinue. He behaved in an unduly familiar, nonmilitary manner. He openly tried to ingratiate himself with Dzhokhar. He spent a long time talking with him in a separate office, without witnesses. That night the generals went off to visit one of the plunderers of the republic's oil, a friend of Dzhokhar, for a drinking bout. Deynekin was also in Groznyy and also tried to ingratiate himself with his former subordinate.

Nevertheless, the attempts at robberies ceased for a short while. Dzhokhar said very significantly that "Shaposhnikov must soon be kicked out of his post, and then the military units will be ours." At the end of February 1992 Shaposhnikov was indeed dismissed. Literally the next day Dudayev and Yandarbiyev (vice president of the republic—editor) issued an order to "purge" the military units. Between the time darkness fell and the next morning heavily laden KamAZ trucks removed weapons and ammunition from the dumps. Top officials in the Chechen Ministry of Internal Affairs operated side by side with ordinary thieves, loading assault rifles, pistols, and cartridges into their own Mercedes.

On the fourth day of this orgy Dudayev and Yandarbiyev made a masterly move to cover their traces: They involved the broad people's masses in the crime. The gates of military units were opened wide, and hundreds of people made off with whatever they could—boots, gas masks, motor vehicle spare parts, canned food, uniforms, soldiers' underwear.... In the darkness shells suddenly started exploding, and an impressive fire started blazing. Several unfortunate people were blown up by mines....

The deed had been done: Dzhokhar and his cronies, having cleaned out the majority of the military units in Groznyy, wrote everything off to the people. During those days I wrote about this in the republic newspaper GOLOS CHECHENO-INGUSHETII [Voice of Chechen-Ingushetia]. Soon after a document came from Moscow—I saw it—on a share-out of military property between Russia and Chechnya (50- 50). Of course, by then not even one-tenth of the arms remained in the dumps. I happened by pure chance to witness then another of Dzhokhar Dudayev's conversations—this time with Grachev.

...The "remnants of former splendor" were raked out from the military dumps and loaded onto a large transport aircraft, which was leaving for Moscow. Dzhokhar wished bon voyage to the officer escorting the weapons. But hardly had the latter left the president's office when Dudayev telephoned the airport and ordered Abu Arsanukayev (chief of the president's guard) to delay departure. The aircraft was surrounded by tank trucks. Some time later the same officer escorting the load returned to the president's office and naively waxed indignant: "Dzhokhar Musayevich, this just is not on...."

Dudayev responded with a thin smile. Indicating to the officer the chair next to him, he telephoned Grachev in Moscow. The crux of the subsequent familiar conversation with the minister boiled down to the fact that these "trifles" (meaning the weapons in the aircraft) must be left in Groznyy. After listening for a minute or two to his high-ranking Moscow pal, Dudayev passed the receiver to the officer, who completely lost his head. He received a ministerial instruction, reported its fulfillment, and withdrew, having disconcertedly forced out these words: "Well, that is another matter, Dzhokhar Musayevich...."

Today many journalists and politicians are trying to get to the bottom of the matter: How, after all, did things stand with the handover of weapons to Chechnya? The truth is not buried at all deep. In order to establish it, it is sufficient to carry out just one investigative action: to bring up from the KGB archives recordings of two of Dudayev's telephone conversations—with Shaposhnikov in December 1991 and with Grachev in February 1992.

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But it would hardly benefit anyone today to conduct a serious investigation. Of all the wars in world history the Chechen war is the most repulsive, for it was not caused by an attempt to acquire new lands or to defend existing ones. It was a war between two gangster groupings within one state—Russia. It was no coincidence that "precision" air strikes in Groznyy were launched, above all, at the National Bank and the Chechen Ministry of Economics and Finances....

Stepashin Claims 'Balkanization' Halted

MM0603110595 Moscow IZVESTIYA in Russian 2 Mar 95 p 4

[Interview with Sergey Stepashin, director of the Federal Counterintelligence Service, by Valeriy Vyzhutovich; place and date not specified: "Sergey Stepashin: I Am Not an Enemy of the Chechen People"]

[FBIS Translated Text] Before beginning the conversation the director of the Federal Counterintelligence Service [FCS] put the following document on the desk, saying: "Please look at this":

"To D.M. Dudayev, president of the Chechen Republic of Ichkeriya [CRI].

"I have to report that in accordance with your directive to the CRI State Security Department in December 1994, $1.5 million have been spent on paying journalists.

"Recently the Russian authorities adopted measures to facilitate the work of Russian and foreign journalists, which made it considerably harder to use them for our purposes. In this connection I would ask you to issue a directive allocatiing $1 million to the CRI State Security Department.

"[Signed] S.S. Geliskhanov, chief of the CRI State Security Department."

Printed on an official form, dated 7 January, and marked "Top Secret [as published in original]. Copy No. 1," the document set the only kind of conversational tone possible in the kind of circumstances that are not conducive to diplomacy.

[Vyzhutovich] If you think that you have before you a journalist on Dudayev's payroll, then, Sergey Vadimovich, we can end our conversation before it has begun.

[Stepashin] No need to be offended. I do not suspect you personally or IZVESTIYA of anything.

[Vyzhutovich] How did you come by this document?

[Stepashin] The document was removed from Dudayev's archives. The archives were seized three weeks ago by FCS officers in the vicinity of Katayama, on the western outskirts of Groznyy, in a house that had once been Dudayev's residence.

[Vyzhutovich] What guarantee is there that it is not forged?

[Stepashin] See, there are two signatures. Geliskhanov's at the bottom and Dudayev's at the top.

[Vyzhutovich] Forging signatures is no problem. There are many experts in that field in your department. There is plenty of experience of this too. Remember Rutskoy's forged signature on the trust treaty....

[Stepashin] I do not want to start with mutual recriminations and suspicion.

[Vyzhutovich] OK, call them doubts. There are, shall we say, very great doubts about this document's authenticity and, chiefly, about its very substance. Do you not think, for example, that the Chechen special services perpetrated the forgery in order to compromise Russian and foreign correspondents?

[Stepashin] I do not rule it out.

[Vyzhutovich] Or did someone in Dudayev's entourage simply pocket the money entered under "expenditure on journalists"?

[Stepashin] Possibly....

[Vyzhutovich] But if you are beset by doubts, how can you say that the press has been bought off?

[Stepashin] I am not claiming anything of the sort. But, you will agree, it is very strange: All the media have adopted an antistate stance in their coverage of events in Chechnya. Many people even in Turkey, where I have just been, share my bewilderment.

[Vyzhutovich] The armed invasion of Chechnya is opposed by 88 percent of Russian citizens, according to the opinion polls. Have they been bought off too?

[Stepashin] We should not take the results of these polls too literally and regard them as established fact. Moreover, public feelings about the Chechnya events are very much subject to fluctuations. Many Russians see the method of resolving the Chechen crisis chosen by the Russian authorities as a measure that was forced on them, but a necessary one at the same time.

[Vyzhutovich] Does the same apply to the recruitment of mercenaries from military units near Moscow? Or are you still denying that FCS officers were involved in that, despite the sensational press expose?

[Stepashin] A difficult question for me.... Nonetheless, I think it would be more accurate to talk not of recruitment but of contracts with volunteers. These contracts were officially concluded by the counterintelligence service of the Chechnya Interim Council. Our military volunteered to help those who were fighting against the criminal, antipopular Dudayev regime. We have not forgotten a single one of the guys who signed a contract. All the survivors have receive proper compensation. The families and relatives of the dead will receive a permanent pension... [Strepashin ends]

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[Vyzhutovich summary] Yes, Sergey Stepashin agreed, the FCS can and must be made publicly accountable, but after the innumerable and not always sensible reorganizations to which the former KGB has been subjected of late it is very difficult, the FCS chief said, to keep on top of the tasks that have been set. Some 25 people are all that remain of the celebrated "Vympel" group, the interlocutor said. But a Special Operations Directorate is now being set up in the FCS and the special groups are being resurrected....

[Vyzhutovich] How often do you report to the president on the situation in Chechnya?

[Stepashin] I regularly draw up memos containing our proposals. Once a week I go to him with a report. If necessary, I phone.

[Vyzhutovich] What is the question that the president has put to you most often of late?

[Stepashin] More often than not it is the same old question: "When are you going to catch Dudayev?"

[Vyzhutovich] And what do you reply?

[Stepashin] The point is that Dudayev is always on the move and does not stay in the same place for more than six or seven hours. But he is definitely not in Groznyy; we are in full control of the city. We also know that he has also changed his security guard and is using only relatives as bodyguards. Since the General Prosecutor's Office issued the arrest warrant for Dudayev every step is being taken to catch him. According to our current information he is in Chechnya, not far from Groznyy.

[Vyzhutovich] But Sergey Shakhray recently said that Dudayev was in hiding on the territory of Ingushetia and even accused Ruslan Aushev of harboring the criminal.

[Stepashin] I do not know what information Sergey Mikhaylovich had on that. At any rate, we did not provide him with the information.

[Vyzhutovich] What work is the FCS doing in Chechnya now that the completion of the military phase of the operation has been announced?

[Stepashin] Our job has changed somewhat, since combat actions in the republic have ceased. But in places where the Internal Affairs Ministry troops are participating in local clashes FCS officers are still performing their basic functions of providing counterintelligence support for combat operations. There is much work to do in Shatoyevskiy and Nozhay-Yurtovskiy Rayons and in Shali and Gudermes.... We are trying to effect a peaceful change there by ferreting out the gunmen and detaining the most rabid extremists. We have set up an FCS administration in Chechnya. It is working with the Internal Affairs Ministry on seizing weapons and identifying caches of weapons. Information from agents is used. Be that as it may, the most important thing has been accomplished—we have managed to stop the Balkanization of the North Caucasus.

[Vyzhutovich] Are you certain about that? Do you have full information on the mood among Chechnya's neighbors?

[Stepashin] Yes, I am sure that there is not going to be a major Caucasus war now. That was the threat we had faced since November 1991, when the attempt to introduce a state of emergency in Chechnya was accompanied by loud wailing about the possible Balkanization of the Caucasus. But in the last six weeks I have been to Dagestan, North Ossetia, Kabardino-Balkaria, and Ingushetia and I have found that there is no support anywhere for the Dudayev regime. Although sentiment there varies and is sometimes very complex. A large part of the population appreciates the need for the measures that have been taken. This is particularly so in Dagestan, where the Dudayevists blocked first the railroads and then the border. But Khasavyurtovskiy Rayon in Dagestan and Nozhay-Yurtovskiy Rayon in Chechnya have had close trade links for decades. Dudayev cut them. So it is no surprise that there is not one Chechen-Akin fighting on the side of Dudayev's gunmen. Of course, in Khasavyurt, where there are around 100,000 refugees in need of accommodation, facilities, and medical treatment, many people are angered by the federal authorities' actions. In human terms, this is understandable: People are upset about the deaths of people of their own religion or tribe and of mere neighbors. It is the same in Kabardino-Balkaria and Ingushetia. The general feeling is they would rather have peace!

[Vyzhutovich] What Russian army subunits remain in Chechnya, and how long will they stay?

[Stepashin] The plan is to have a corps or army permanently stationed there, with its headquarters in Vladikavkaz. This military subunit would engage not only in combat training but also in restoring the Chechnya economy. But the army's chief task can be regarded as having been accomplished.

[Vyzhutovich] But what about the FCS' tasks in Chechnya? Does your view of their implementation differ from that of the Russian press, for example?

[Stepashin] To be frank, we underestimated the enemy's potential and obviously overestimated our own strength. We failed to identify Dudayev's Moscow connections and we failed to prevent his informers with connections in high places in Russia from operating. But I do not want to dismiss the really effective, professionally immaculate work that FCS officers have been carrying out all this time in Chechnya. They have been providing army subunits with information on the whereabouts of gunmen and weapon emplacements, the location of arms dumps.... They were also partly performing military intelligence functions. At 0700 hours General Kvashnin would receive an up-to-the-minute report drawn up during the night on the basis of military intelligence officers' information and our agents' data. All this would be put on to a map, incorporated in decisions, and molded into an order. Not once did I hear from Kvashnin that our intelligence data had turned out to be unreliable.

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[Vyzhutovich] But another general—Airborne Troops Commander Yevgeniy Podkolzin—did criticize the FCS along those lines.

[Stepashin] He scarcely had grounds for doing that. We did not supply, indeed we were unable to supply General Podkolzin with any information, since he was not in Chechnya at that time. But we did free four airborne assault troops—that is a fact. A total of 87 captured Russian officers and men were released with FCS participation.

[Vyzhutovich] What is your assessment of the federal forces' actions in Chechnya?

[Stepashin] I would refrain from any assessment. A painstaking and detailed analysis of the army operation in Chechnya has yet to be made.

[Vyzhutovich] Do you possess accurate data on Russian military losses?

[Stepashin] Yes. More than 1,000 killed.

[Vyzhutovich] What do you think is the most repulsive feature of what is happening in Chechnya at the moment?

[Stepashin] Looting. On a depressing scale.

[Vyzhutovich] Which side is doing the looting?

[Stepashin] Every side. Our officer and men are no exception, alas. People have to be punished, of course. But we are in a kind of legal stalemate, to use a chess expression. Do we give it to them on the spot? We cannot. Do we judge them in accordance with peacetime laws, since no state of emergency has been introduced in the republic? It is a long and tiresome procedure, requiring the participation of victims, witnesses, lawyers.... I think the Duma might quickly make the necessary changes and additions to legislation. [Stepashin ends]

[Vyzhutovich summary] In reply to the later questions as to how he thought events would and should develop in Chechnya, Sergey Stepashin ruled out the possibility of a guerrilla war: "Basically, the conditions do not exist for waging one there. Whom do you fight against? Yourself?" Moreover, as the FCS director said, the Chechens, particularly the young people, have gotten used to living in relative comfort, and their predilection for guerrilla warfare, with all its attendant hardships, should not be exaggerated. Moreover, according to the counterintelligence chief, no village would be able to offer armed resistance once the local FCS, police, and prosecutor's office departments were in place.... Sergey Stepashin noted that seven of the 12 rayons have already recognized the Russian Constitution and regard Chechnya as part of the Federation. The FCS director was confident that the Chechens will establish order in their own republic and elect new, legitimate organs of authority for themselves.

[Vyzhutovich] Do you believe that free elections are possible on Chechnya today?

[Stepashin] Not today. In six months we will see. Russian state structures have to be fully restored.

[Vyzhutovich summary] Assessing the prospects of the talks with the Chechen side, Sergey Stepashin said that no mediators would be required. According to him, the talks could be conducted only by the Russian government, with the backing of the power structures.

Talking about his recent trip to Turkey, the FCS director said that a verbal agreement had been reached with Turkish special services that gunmen and weapons would not go from there to Chechnya. Sergey Stepashin also noted the position of Turkish President Demirel, who, when he received the Russian counterintelligence chief, did the proper thing and stressed that he would not mediate between Chechnya and Russia, since he regarded that kind of role as unacceptable to him.

[Vyzhutovich] Returning to where we began.... While you accuse the press of lacking objectivity, in the 10 weeks since the armed invasion of Chechnya you have not given a single interview, this being the first.

[Stepashin] Yes, the Russian authorities lost the information war.... How splendidly Chechnya Information Minister Movladi Udugov is operating, how skillful and adroit he is at feeding the press with all kinds of lies, distortions, and misrepresentations of the facts...! We have antagonized journalists with: "Don't let anyone in, don't give them anything!" For a long time I was unwilling to say anything.

[Vyzhutovich] Why?

[Stepashin] I had to spend six weeks in the North Caucasus and see everything for myself and understand it. And then let my impressions settle and analyze them in a calm and sober manner.

[Vyzhutovich] Do you feel personally responsible for what is happening in Chechnya?

Completely. I do not consider myself an enemy of the Chechen people and I have reason to believe that the Chechens do not consider me an enemy either.

[Vyzhutovich] Will the outcome of the Chechnya operation, whatever it might be, affect your career?

[Stepashin] Better ask the president about that. But, probably it will.... Probably.... [Stepashin ends]

[Editorial conclusion] The questions in this interview do not constitute full public accountability on the part of the FCS, whose role in the Chechnya events will probably not be properly evaluated until many facts, pieces of evidence, and documents still classified as "top-secret" are made public. In the same way, the FCS director's answers to the questions by no means satisfy the keen interest in Russian counterintelligence work in Chechnya. Nonetheless, the editorial board saw fit to publish

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the FCS chief's views on events in Russia's most troublesome region. The reader can judge how convincing this view is.

Maritime Kray 'Rapid Response' Team Deployed

LD0603095795 Moscow ITAR-TASS in English 0914 GMT 6 Mar 95

[By ITAR-TASS correspondents Yuriy Grachev and Dmitriy Kashirin]

[FBIS Transcribed Text] Vladivostok March 6 TASS—An elite police unit left Primorye (Maritime Territory) for the Chechen conflict area aboard a military transportation plane on Monday.

Forthy-three members of the personnel of the Special Department of Rapid Response (SDRR) have been trained for the conduct on in-depth reconnaissance, detection and routing of militants' bases. However, as an ITAR-TASS correspondent has learned from unofficial sources, while in Groznyy the SDRR unit are to guard major motor roads and man checkpoints to inspect vehicles and goods.

The military transportation plane also carries 30 tonnes of humanitarian aid supplies collected with an active assistance of the leading enterprises of Primorye. Various fish products, delicacies and other seafoods will be a welcome addition to police food rations.

Meanwhile, the first train with the combat hardware of the combined regiment of Pacific Fleet marines returned from Chechnya to the marines' permanent stations on Monday. This is one of six military trains which had been sent to Mozdok in January this year. The remaining marines are to be brought to logistical areas in the coming days, after which they will return to Primorye, a spokesman at the press service of the Pacific Fleet has told ITAR-TASS.

Ministers View Rail, Communications Restoration

MK0303100095 Moscow SEGODNYA in Russian 3 Mar 95 p 3

[Report by Irina Khristolyubova under the "Report" rubric: "Communications and Railways Ministers Combat Dislocation in Chechnya. Republic Will Be Provided With Space Communications"]

[FBIS Translated Text] Gennadiy Fadeyev, head of the Russian Ministry of Railways, told a press conference in Moscow yesterday that the number of undamaged roads to the capital of the Chechen Republic is inadequate not only for rebuilding Groznyy but even for bringing necessary food to its residents. Speaking of what has been done to date, the minister said that military railoadmen saw to it that passenger and freight trains began running on 20 January between the station of Ishcherskaya and the Chervlennaya-Uzlovaya junction. Besides, more than 250 km of track of various designations were handed over to traffic, and a 70-km stretch of track has been completely cleared of mines. By the end of January railroad troops has rebuilt the runs between Chervlennaya-Uzlovaya and Kizlyar, thus restoring traffic between Dagestan and the Transcaucasus with Russia. The minister noted that special attention is being paid to opening traffic via Groznyy to Makhachkala to restore contact with the Trascaucasus republics.

Communications Minister Vladimir Bulgak, who also spoke at the press conference, noted that the destruction of the infrastructure in the Chechen Republic did not start in the period of military operations but some three years before that. Today, a space station is being put into place on the site of Government House in downtown Groznyy. Thus will restore Groznyy's links to the rest of Russia (eight channels) and each of Chechnya's 12 rayons will be getting seven space communication channels. To Mr. Bulgak's mind, it is impossible to rebuild the totally destroyed communications system in the coming days and months. Therefore, an "Altay" system for 100 subscribers will be installed in Groznyy by 20 March, and plans call for an additional radio telephone service to access 40 vital facilities in town. To date, military railroadmen together with Railways Ministry specialists have rebuilt 77 km of communications lines and 67 km of power supply lines.

Pro-Dudayev Paper Resumes Publication

LD0503160295 Moscow INTERFAX in English 1425 GMT 5 Mar 95

[FBIS Transcribed Text] GROZNYY, Mar 5 (Interfax)—The first issue of the newspaper "Svobodnaya Chechnya" (Free Chechnya), whose publication was suspended during the storm of Groznyy by federal troops, came out on March 5, 1995, leader of the pro-Dudayev information service Movladi Udugov told Interfax on Sunday.

The newspaper frontpages Dudayev's decree on high awards to commanders and fighters of Chechen formations. Published is the list of six persons awarded by orders of "Hero of the Nation" and "Nation's Honor". Three fighters out of the six were awarded posthumously.

Stavropol Aiding Resumption of Chechen TV

LD0603095595 Moscow ITAR-TASS in English 0905 GMT 6 Mar 95

[By ITAR-TASS correspondent Nikolay Styazhkin]

[FBIS Transcribed Text] Stavropol March 6 TASS—The TV and radio broadcasting company in the Stavropol territory decided to help the Chechen republican TV studio which is now functioning outside Groznyy after the destruction of the city TV centre, to resume stable TV broadcasting, ITAR-TASS learnt from Adzhaut Irbagimov, first deputy chairman of the territorial TV and radio company, here on Monday.

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Its specialists visited the Chechen Republic, specified the volume of restoration work and already sent part of TV equipment to their Chechen counterparts.

Engineers from the Stavropol TV service will also participate in preparing a mobile TV station (allocated from federal reserves to Chechnya) for stable operation.

Stavropol TV men gained experience in starting TV broadcasts outside the territory: they helped to start, practically from scratch, stable TV broadcasting in Nazran when the city became the Ingushetia capital.

Results of Chechen Diaspora Meeting Outlined

954F1607A Moscow ARGUMENTY I FAKTY in Russian No 9, Mar 95 p 2

[Valeriy Batuyev report: "Chechens' Secret Meeting in Moscow"]

[FBIS Translated Text] *A meeting of Moscow's Chechen diaspora was held over three days behind closed doors. Ruslan Khasbulatov, Doku Zavgayev, General Aslanbek Aslakhanov, Dzhabrail Gakayev, Salambek Khadzhiyev—such is an incomplete list of the well-known participants in the gathering. They were subsequently joined by Umar Avturkhanov also.*

They gathered in Moscow with the aim of: 1) finding peace and accord; 2) formulating a set of measures to overcome the Russian-Chechen conflict.

The first two days just about split the opposition conclusively. Salambek Khadzhiyev was very unhappy, as were many others, with the behavior of Ruslan Khasbulatov, who told journalists that 26 November had been Khadzhiyev's doing. The latter had obtained weapons in Moscow, allegedly, and had "gone to take Groznyy." In turn, Khasbulatov was censured also.

In Khadzhiyev's opinion, such demarches on the part of Khasbulatov were the start of an unscrupulous struggle for his political future. "It is convenient to adopt the position of observer and to criticize everyone." For this reason Khadzhiyev proposed that Ruslan Khasbulatov head the financial block in a national revival government. And if this is not enough for Khasbulatov, let him occupy the chief position in this government. As long as he helps surmount the crisis and does not introduce dissension in the ranks of the opposition. Umar Avturkhanov also, eyewitnesses maintain, demonstrated his readiness to sacrifice the position of chairman of the Provisional Council.

Nonetheless, on day three the leaders of the opposition parties managed to find a common language. According to Dzhabrail Gakayev, the following decisions were adopted:

1) to unite all political forces of an anti-Dudayev thrust; 2) to make the Russian-Chechen conflict an intra-Chechen conflict (such as it was up to December 1994). A further number of measures are contemplated for this: a) an end to hostilities. The Russian troops to remain in situ; b) to conduct negotiations with the peaceful population to ensure that it not take part in the hostilities; c) to conduct negotiations with Dudayev's field commanders "since each has his own sacred idea for which he is fighting. If we can change their minds, it will be clear that the war is needed only by Dudayev, who is with their help defending his power and money"; d) to support a national accord committee (headed by Leche Magomadov) and enlist in it representatives of the rural communities; e) to support a national revival government headed by S. Khadzhiyev. To include in it Ruslan Khasbulatov, General Aslakhanov, Avturkhanov, and those who at the first stage supported Dudayev.

For elections to the republic parliament the opposition decided to restore temporarily the Chechen-Ingush ASSR Supreme Soviet Presidium. Only the Chechen part, it is true. Doku Zavgayev, its former chairman, will play his part here also.

When, however, the conflict becomes intra-political, the opposition intends with the assistance of the State Duma of the Russian Federation to grant an amnesty to all participants in the events. It cannot be ruled out that Dzhokhar Dudayev would come under the amnesty also.

Kalmykov Decries 'One-Man Rule' in North Caucasus

MK0303083595 Moscow SEGODNYA in Russian 3 Mar 95 p 3

[Gleb Cherkasov report: "Yuriy Kalmykov Is Concerned Over the Situation in the North Caucasus. Except for 'Young Aushev,' All the Presidents Have Established One-Man Rule"]

[FBIS Translated Text] State Duma deputy Yuriy Kalmykov yesterday told journalists that the "tension in the North Caucasus is moving from east to west." According to the former Russian justice minister, who is a native of the region, the federal authorities, absorbed in the events in Chechnya, are not paying attention to what is going on in Kabardino-Balkaria, Karachayevo-Cherkessia, and Adygeya.

The deputy said that on 14 December Kabardino-Balkaria adopted a law "On Temporary Measures To Ensure Public Order and Security," which contradicts the Russian Federation Constitution. Thus, in particular, the legislative enactment bans rallies and manifestations in the republic. In spite of all the bans, public organizations stage direct actions, which are stopped by the republic Ministry of Internal Affairs. According to Yuriy Kalmykov, the situation in this North Caucasus republic is close to an upheaval. The deputy said that with respect to this law he is collecting signatures among Duma members to send an inquiry to the Constitutional Court.

Commenting on the situation in Karachayevo-Cherkessia, Kalmykov cited a resolution by a united

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congress of Abazin, Russian, and Chechen people, which notes that "over four years no rule-of-law state has been created in Karachayevo-Cherkessia." The resolution contains an appeal to President Yeltsin to dismiss incumbent Prime Minister Khubiyev and form a provisional administration in the republic which would hold a referendum on the expediency of returning the republic to Stavropol Kray. Representatives of Abazin, Russian, and Chechen people call on the Karachayev and Nogay people to support their proposals.

Kalmykov believes that one-man rule has emerged in all the North Caucasus republics except Ingushetia, where "the young Aushev adheres to democratic traditions." According to Yuriy Kalmykov, local authorities "are doing whatever they like." The ex-justice minister stressed that the institution of presidency in multi-ethnic republics is illegitimate and stated that a possible solution to the problem of overseeing the actions by local administrations could be an expansion in the powers of the State Duma.

Preliminary Results of Elections in Bashkortostan

LD0603102295 Moscow ITAR-TASS in English 1000 GMT 6 Mar 95

[By ITAR-TASS correspondent Raul Tukhvatullin]

[FBIS Transcribed Text] Ufa March 6 TASS—The preliminary results of elections to Bashkiria's [Bashkortostan's] state assembly, city, town and village soviets have been announced. Voting was held in 103 districts on Sunday. 57.7 per cent of the registered voters in the republic exercised their franchise.

Voters in rural areas, where almost 80 per cent of the population lives, were more active. 36.6 per cent of the capital city Ufa's residents came to cast their votes. This number will be sufficient, if 35 per cent of the ballot papers are found to be valid, which is highly improbable, according to members of the Central Election Commission. [sentence as received]

The elections will be recognised as actually held only after summing up the final results, which will take some time, the Central Election Commission noted.

Bashkirian Prime Minister Rim Bakiyev won from his constituency with a big margin of votes in comparison with other deputies. More than 90 per cent of the electorate in the Tuimazinski district voted in his favour.

Chairman of the Supreme Soviet Yuriy Demin failed to get the required number of votes. In the Burayevski district of the republic, from where he stood, the head of district administration and director of a local school has established a lead over him. A number of chairmen of parliamentary permanent commissions have also failed to get the required number of supporters in their constituencies.

Gorbachev's Visit to Novosibirsk Detailed

954F1618A Novosibirsk SOVETSKAYA SIBIR in Russian 1 Mar 95 p 2

[Article by A. Zharinov: "The Herald of Glasnost, Who Became the 'Most Vehement Oppositionist...': Some Thoughts on M.S. Gorbachev's Visit to Novosibirsk"]

[FBIS Translated Text] Political visitors from the capital probably are not news for Novosibirsk these days. To use a figure of speech of a good friend of mine, they are descending on us in droves. We will soon need to devise a schedule of visits: Journalists are having trouble tracking the Moscow stars, let alone meeting with them personally. Still, this visit stood out on its own. Because we had the opportunity to meet with a person who was to a certain extent part of our history—the "architect" of perestroyka, former general secretary of the CPSU, former USSR President M.S. Gorbachev.

He arrived in Novosibirsk, as all the local mass media reported, at the invitation of Federation Council Deputy A.P. Manannikov. It is hard to figure out how to explain such a strange connection. During the three days of the visit this circumstance was not particularly advertised. At meetings in the GPNTB (State Public Scientific-Technical Library) and AO [joint-stock company] Stankosib, which I was able to attend, the senator's demeanor was studiedly modest—he kept out of discussions and comments on local issues. He did make sure he was visible: next to and behind the "high guest," as if demonstrating the invisible solidarity of political positions.

To be honest, this symbiosis looked strange: a vehement anticommunist and a "devoted follower" of the socialist idea. The former grew from a dissident to a senator, riding the wave of unbridled criticism of the CPSU; the latter—the chief communist of the country, who destroyed the party and, in his own opinion, became its chief dissident. One begins to comprehend this "nuance" after learning of their current political credos. As it turns out, they have a lot in common.

* * *

On the eve of M.S. Gorbachev's meeting with the intelligentsia in the GPNTB I had a nagging feeling of an impending minor scandal. From the mood of picketers carrying "Judas!" posters in front of the main entrance, from the "irreconcilables" who had managed to slip into the auditorium, I sensed that a decisive battle was brewing against the destroyer of the Union, the culprit of the people's misfortunes and troubles. The battle did not materialize, although there were questions about "personal responsibility" and "fault for what happened." The audience attentively listened to the speaker's diffuse explanations, without interrupting the former president until the very end.

He explained "how it all happened" aggressively, with his own peculiar "flair" and verbosity. The kind that is probably familiar to each of us and is the butt of numerous parodies.

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One listener could not restrain himself:

"Mikhail Sergeyevich, how about less verbiage and more concrete answers..."

It is worthwhile recalling the logic of his reasoning. Yes, nothing can relieve him of responsibility as a man who was at the very root of reform, was its driving force. Even if everybody said: "No, it is all right, we do not have any grudge against Gorbachev! Let him live in peace!"

I think we would have to search for a long time today for anyone to say something like this. Only a naive person is capable of believing in the absolute innocence of the former president. But let us nevertheless try to contemplate the extent of this fault.

Here he opens the sluice-gates of glasnost and freedom, and fresh wind fills the sails. True, in the process it also carries currents of trash. But this is a minor nuisance: We will outgrow it, overcome it, live through it! What euphoric support his initiatives evoked! But I also remember his sadly famous: Launch an attack on staff headquarters! On the nomenklatura, first of all the party. Now, at the meeting in Novosibirsk, he calls them communist-fundamentalists. Then, in 1990, he was not as specific. Hit the headquarters! Hit they were, so that feathers went flying. And heads. Of honest leaders, generally loyal to the idea of perestroyka but disagreeing with something in the general secretary's line.

Cleansing us of stagnation, formalism, and routine was, of course, necessary. Totalitarianism, the nomenklatura caste system, the party diktat were crushing the new, the living. But this is not a good enough reason to destroy everything down to the ground.

In the opinion of today's Gorbachev, we were coming close to reforming the party itself. In July 1991 a new program of the CPSU was finally adopted and published; they were hoping to hold an extraordinary congress in November and split, "because by then the CPSU combined at least three major movements." This also needed to be done so that the communists too could make their choice, figure out where they stand.

This is the first time we have heard about an organizational split. It turns out that the names of branch parties were already decided on, and how much money and what part of material resources was supposed to be allocated to each "in fairness." I repeat, the people who knew this were Gorbachev and his confederates leaning toward social democracy—as he did for that matter. At the grass roots nobody had any idea of it, although only months remained before the congress.

I see in this characteristic episode duality, political subterfuge of the party leader: It was the fundamentalists who held back the democratic process! Speaking to Stankosib workers, Gorbachev also mentioned the Siberian opposition, the 32 first secretaries of the region's oblast party committees, who gathered in Novosibirsk on the eve of the scheduled Central Committee plenum to hand down a "sentence": to remove him from the party post. As the saying goes, the trick did not work: Again, Gorbachev was proclaimed "irreplaceable." While the Novosibirsk party opposition headed by V. Mindolin, as we can see, became part of history.

In M.S. Gorbachev's opinion, the first betrayal happened in August 1991: "This was a blow not only against me (in the final analysis this is not all that important)—this was a blow against the party and the country as a whole, after which irreversible processes began, the retreat of perestroyka." At the very least, to present it as everybody wanted to "cheat," "push out," and "brake" has little to do with reality. But the fact that the CPSU ceased to exist to a large extent with the help of the main supporter of the social-democratic idea is, in my opinion, inarguable.

* * *

M.S. Gorbachev also considers the Belovezha accord a betrayal of himself and Russia. This is hardly a new opinion. It should, however, be supplemented by some details:

"We were for reforming the Union, but preserving it. A draft of a Union treaty was in the Supreme Soviet of Russia and other republics, which said: Keep the Union state! And Yeltsin behind my back launches the Belovezha deal..."

It was indeed this way. But still, how did it happen: behind his back? Not the first time, by the way. In Vilnius too, as the former president acknowledged, the order to deploy the troops against the population was issued without his knowledge... The question unwitting invites itself: What kind of president is this who permits himself to be incarcerated in Foros? Troops to be deployed without his knowledge? Finally, to commit treason against the state? There is an explanation for it, in M.S. Gorbachev's opinion: "fundamentalists," "a sorry excuse for reformers." What about an explanation from the standpoint of state logic?

* * *

Waiting for the high guests, the Stankosib workers mildly gripe about the reforms. There are work stoppages here, but not too often: So far the collective has stayed afloat; there are production orders. Metalworkers earn R450,000-500,000 assembling machine tools. One can live on this...

"How do you feel about Gorbachev today?" I ask a worker in an oil-stained robe.

"Wish I had never laid eyes on him," was the immediate answer.

This sentiment was echoed by many.

But then the retinue of bosses accompanying the Moscow guest appeared at the end of the factory shop

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bay, and the workers livened up, climbing on gantries and elevations in order to see and hear better.

Mikhail Sergeyevich is friendly, good-natured, and open. The voice flows from the microphone in a lulling drift. The speech is uncomplicated: What they wanted to reorganize and how, and what they managed to achieve at the initial stage.

Such pontifications are hardly news for the workers. How long can we go on about this perestroyka! But then they heard something else:

"They destroyed the Union—what kind of perestroyka is that? Instead of reforms we were dealt a shock. Privatization—clearly a reckless gamble!"

I will be honest—there were many who agreed with these sentiments. One could feel it from the interjections and the leading questions. About discreditation of the military, the ruin of the agro-industrial complex, increased Western commodity intervention, increasingly curtailed glasnost. The former president griped in passing about A. Yakovlev, his former Politburo cohort: He does not let me go on air live, he said.

"Let us take joint responsibility for all this," Mikhail Sergeyevich said in conclusion. "You put your trust in Yeltsin, who promised to implement reforms quickly and well. Now you know what that means."

After warm farewells to the suite, I could not resist the temptation to ask the same worker in the oil-stained robe what he thought about the visit.

"On the level! I did not expect it!"

And I thought: Perhaps the phenomenon of this perception of the "disgraced" former president is precisely because people think in principle the same way as Gorbachev, except not publicly but in smoking rooms and around the family table. And maybe what he said so boldly and openly from auditorium platforms serves as atonement of sorts for his sins?

I repeat, perhaps this is so. Although I think that as a politician M.S. Gorbachev is an "old book" for everyone. And if we treat this visit as the beginning of a presidential election campaign, it may be more helpful in the sense of distilling our attitude to the current president of Russia than in bringing out a surge of sympathy for the former general secretary. Be he, as he may, the "most vehement oppositionist today."

Nevertheless, Mikhail Sergeyevich does not rule out the possibility of becoming president again—"if Russia calls on him."

Likhachev Outlines Tatarstan's Foreign Policy Efforts

954F1595A Kazan RESPUBLIKA TATARSTAN in Russian 1 Mar 95 pp 1, 3

[Interview with Vice President of the Republic of Tatarstan Vasiliy Likhachev by Ayaz Khasanov; place and date not given: "Tatarstan's Foreign Policy"]

[FBIS Translated Text] [Khasanov] Vasiliy Nikolayevich, what are at this point the results of the Republic of Tatarstan's efforts to establish relations with foreign states?

[Likhachev] Developments in the sphere of international activities last year were especially pronounced, first of all due to the fact that we began to implement in a concrete way the provision of the republic constitution which establishes it as a subject of international law. Activities in the sphere of international relations proceeded along several lines. Among them is the creation of effective organs. A Department of Foreign Affairs and CIS Issues began to function under the Republic of Tatarstan president's staff. New points of emphasis appeared in the activities of the Ministry of Foreign Economic Relations. Second, the republic, which has a special role in work with the Tatar diaspora, took upon itself moral obligations with respect to development of the Tatar language and revival of Tatar culture, and established relations with persons of Tatar origin living in the far and near abroad. Involved in this work were not only state structures, but also a number of public organizations, first and foremost the executive committee of the World Tatar Congress. We succeeded in getting the RF [Russian Federation] Ministry on Nationalities Affairs to work on a program, which it is finishing now, in which a whole segment is dedicated to the subject of the Tatar diaspora. That is, Tatarstan and Russia are joining their intellectual and material resources in order to resolve the problem on a professional level. There are more than enough issues in this respect, and all of them require serious financial infusions. They include opening Tatar gymnasia, publishing activities, training national cadres, and many other things.

Third, today we can speak of strengthening Tatarstan's positions in the outside world. We can no longer say that the republic is under an information blockade. Quite the opposite, we have to self-critically acknowledge that we ourselves must monitor and organize the process of informational opening up of the republic.

Quite a lot already has been done to strengthen the republic's image as a state. Over the past year Tatarstan was visited by more than 20 foreign ambassadors, a large number of diplomats, economic advisers, and representatives of foreign currency and finance funds. All of them visited the republic with a specific goal in mind: To familiarize themselves with the general situation and operation of industrial enterprises and appraise our scientific-technical potential. I can tell you frankly: They left as our friends. This is a very important psychological point, which plays a big role in diplomacy, which in many ways is conducted through personal contacts.

Relations with many foreign states have moved into an active form of interaction. The leaders are the United States, Germany, and Hungary. We have established solid relations with a number of international organizations, first of all the United Nations, its European

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headquarters in Geneva, the International Monetary Fund, UNESCO, the WHO, and others.

We have established coordinating relations with the Russian Federation Ministry of Foreign Affairs. At the very first meeting of the council of regions representatives, held at the end of 1994, Kozyrev and his first deputy Ivanov in their remarks there praised Tatarstan and its relations with foreign states as an example of how to build civilized relations with the outside world.

[Khasanov] As is known, since the time of perestroyka Russia has been counting on Western credits. However, banks and organizations are in no hurry in this regard and are even de facto dictating Russia's domestic policy. In Tatarstan, on the other hand, we have frequently heard that foreign countries themselves are offering serious investment to the republic. Does the West trust Tatarstan more, or is it the vice president's charisma?

[Likhachev] The leader's charisma factor undoubtedly plays far from a secondary role. But you asked a very interesting question that involves a pragmatic appraisal of Russia's and Tatarstan's potential. I am familiar with official and semiofficial documents that have appeared in the West which contain multi-aspect analyses of the economic and resource-raw material potential, intellectual abilities, and appraisal of the state of international relations. According to these indicators, the republic clearly appears favorable against the background of Russia's regions. Nevertheless, despite our advantages, nobody in the West is automatically offering us credit and investment. For one reason: We share a common economic space with Russia, and we cannot break this relationship just like that. Look, for instance, at the difficulties in resolving questions of conversion. Over the past couple of years, however, and this especially manifested itself in 1994, the period of analysis, appraisal, and doubts with respect to Tatarstan has come to an end, and today we do indeed have quite a few investment proposals. But even in this situation Tatarstan's leadership is showing a sensible statesmanlike caution. Especially considering the variety of forms of credit repayment: barter, deliveries of crude oil. I can cite the example of a 10 billion Deutsche marks credit which Germany is making available to us. At the last stage, however, we discovered problems that do not satisfy Tatarstan. We will have to hold another round of negotiations, at which, I think, we will find a common language. We have received quite a few proposals from French banks.

In the wake of the Chechen events many large European banks had second thoughts, and some completely suspended deals with Russia. Wittingly or unwittingly, these events cast a shadow over us as well.

[Khasanov] With which countries does Tatarstan have contacts at the level of embassies and representations?

[Likhachev] Republic representations have been opened in the United States, Germany, France, Lithuania, Uzbekistan, Azerbaijan, Moldova, Turkey, and Russia. In the very near future work will be completed on trade-economic and scientific-technical agreements with Romania, Bulgaria, Poland, and Switzerland. We have big plans for the Near and Middle East region. It would have seemed that this is where our first representations should have opened, but the Europeans "got ahead."

A Hungarian trade representation is now open here, and a Turkish general consulate will open. It will be up to the ambassador to select one of the eight buildings prepared in Kazan. There are also proposals from Poland and Austria to open representations here. We have many proposals from private companies. A decision has been made to open a representation of the Dresden-Bank. This is one of the largest banks in the world; like an icebreaker, it will open up the route here, and other large financial structures will follow it here in clear water.

[Khasanov] Let us openly call our representations embassies.

[Likhachev] We can call them embassies, but first Tatarstan has to sign the Vienna conventions "On Consular and Diplomatic Relations."

[Khasanov] Is Tatarstan refusing to sign the conventions?

[Likhachev] Tatarstan is not refusing. Tatarstan undertook the obligations in the area of common international law. Joining international documents is a future stage, and we do not intend to refuse.

[Khasanov] After the Belovezha meeting, at the very first founding meeting of the CIS Yeltsin promised that all property abroad would be used jointly. Tatarstan undoubtedly has a share in this property. Is Tatarstan using this property at least to the extent of setting up its own representations?

[Likhachev] Our representatives in Paris and Washington are using the USSR property. Moreover, they have a diplomatic rank. Our representative in Vienna will have the same rights.

I would follow up on your question from a different angle, however: Does Tatarstan have the right to be represented in CIS structures? Bashkortostan raised the issue with Shumeyko to have the republic's representative present at the Interparliamentary Assembly. We want Tatarstan to take its proper place in CIS economic structures as an observer or associate member. I should remind you that all former Union republics have treaties and agreements with Tatarstan.

We can say today that relations with many foreign states have entered an active phase of interaction.

Tatarstan Tax Police Note Achievements

954F1624B Kazan RESPUBLIKA TATARSTAN in Russian 2 Mar 95 p 1

[Ye. Taran report: "Taxes Will Have To Be Paid, Nonetheless"]

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[FBIS Translated Text] In the past year and over the start of the present year R290.1 billion have with the participation of the republic's Tax Police Department been additionally assessed for the treasury, of which the treasury has actually received R115.4 billion. Each officer of the DNP [Tax Police Department] contributed to the treasury R182 million (1994 results). Tatarstan is in third place in Russia in terms of this indicator after Krasnoyarsk Kray (R261) and Perm Oblast (R221). These figures were adduced at a news conference last Tuesday by Sergey Mashin, director of the republic's Tax Police Department.

He emphasized at the start of the meeting that it was with good reason that he had invited to take part in the news conference Shamil Badamshin, chief of the State Tax Inspectorate for the Republic of Tatarstan, inasmuch as the two tax services work in close contact and their assignments are, by and large, similar—the ascertainment and curtailment of violations and offenses in the sphere of tax legislation, more precisely, restitution of the damage caused the state as a result of the concealment of income and the nonpayment of taxes. And the police, as a power structure (they are endowed with the functions of the law enforcement authorities), are called upon, what is more, to protect the employees of the tax inspectorate, and their structure includes preliminary investigation authorities and an operational-search department.

The question of the opening of investigation authorities in the structure of the DNP is being decided in the federal authorities at this time. Instituting criminal proceedings (the department independently instituted 47 proceedings) and conducting preliminary inquiries, S. Mashin emphasized, in 10 days' time we hand over the cases to the investigating authorities of the MVD or the procuracy. These are complex cases inasmuch as it has to be proven that the citizen was concealing income not out ignorance but deliberately. For this reason the results here are not all that high. Only 19 cases were sent to the courts, and criminal charges were brought against eight persons.

Answering the question as to the precise coffers into which the confiscated funds are paid, S. Mashin explained that the uncovered amounts are connected with specific types of taxes. And the intergovernmental agreement between Russia and Tatarstan determines how much of the taxes shall be channeled into federal coffers, and how much, into republic coffers. Approximately 15 percent of these monies goes to the Russian treasury.

The leader of the DNP observed that the leaders in terms of number of violations are commercial firms, and in terms of sum total of damage, state and former state (privatized) enterprises. The leaders in terms of the monies additionally assessed for the treasury are the Tatneft Stock Company—R43.7 billion—the Nizhnekamskneftekhim—R39.4 billion—the Kazanorgsintez—R5.1 billion—the Petrokam joint venture—R4.4 billion—the Suvar Stock Company—R3.3 billion—the ICL-KPO VS—R1.6 billion—and so forth.

According to specialists' computations, approximately 30 percent of income is being concealed. In 1992 DNP officers uncovered 2.5 percent of this sum, in 1993, 6 percent, and in 1994, 10 percent. That is, Sergey Viktorovich acknowledged, there is 20 percent of income that the tax police have yet to reach. This represents potential for growth, as it were.

There is no doubt, Sh. Badamshin added, that problems of today's economy, the main one of which are the arrears, are a reason for the nonpayment of taxes. Tackling this task, the Government of the Republic of Tatarstan has introduced clearing payments, bills of exchange, and payment in kind. According to Shamil Sagitovich, 17 percent treasury receipts have been the result of the adopted measures. Nonetheless, enterprises' and organizations' tax indebtedness today constitutes R203 billion or 8 percent of all receipts (11 percent in the Russian Federation).

In addition, the edict of the president of the Republic of Tatarstan on a tax amnesty has played its part also. In the first two-thirds of February payments to the republic treasury increased by a factor of three to 3.5 compared with the corresponding period of last year.

Summing up, S. Mashin emphasized that taxes have to be paid and that even the most sophisticated concealers of taxes are caught sooner or later and also warned: Do not arm yourselves with publications of the "Fifty Ways To Avoid Taxes" type. They are known to the police.

Government Deputy Chairmen Appointed in Sakha

954F1425A Yakutsk RESPUBLIKA SAKHA in Russian 28 Jan 95 p 1

["Edicts of the President of the Sakha Republic (Yakutia)"]

[FBIS Translated Text]

Edict of the President of the Sakha Republic (Yakutia)

On the Appointment of A.A. Tomtosov as First Deputy Chairman of the Sakha Republic (Yakutia) Government

To appoint **Aleksey Aleksandrovich Tomtosov** as first deputy chairman of the Sakha Republic (Yakutia) Government, releasing him from his duties as mayor of the city of Yakutsk.

[Signed] M. Nikolayev, president of the Sakha Republic (Yakutia)

26 January 1995, city of Yakutsk

A.A. TOMTOSOV was born in 1942. He is Yakut, with higher education, a candidate of historical sciences.

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He began his career as a worker in Ust-Mayskiy Ulus. He served in the teaching profession at Yakutsk State University, performed Komsomol (first secretary of the Yakutsk Obkom [Oblast Committee] VLKSM [All-Union Leninist Communist Youth League]) and party work, was an instructor in the Ethnic Relations Department of the CPSU Central Committee, then served as leading research associate at the Scientific Research Institute for Economics and Construction Management, and was a doctoral candidate at the Diplomacy Academy of the Russian Federation Ministry of Foreign Affairs. Since 1993 he has been the mayor of Yakutsk.

Edict of the President of the Sakha Republic (Yakutia)

On the Appointment of V.I. Bredikhin as Deputy Chairman of the Sakha Republic (Yakutia) Government

To appoint **Vladimir Ivanovich Bredikhin** as deputy chairman of the Sakha Republic (Yakutia) Government.

[Signed] M. Nikolayev, president of the Sakha Republic (Yakutia)

26 January 1995, city of Yakutsk

V.I. BREDIKHIN was born in 1944. He is Russian, with higher education.

He began his career as an electrical engineer at Western Electrical Networks, Yakutskenergo Radio Electronics Administration, in the city of Mirnyy. He then served as foreman and chief of the Mirninskiy Rayon Western Electrical Networks, chief engineer of Central Electrical Networks, Yakutskenergo Radio Electronics Administration, instructor in the Industrial Division of the party obkom, and chief engineer of the Yakutskenergo production association. Since 1992 he has been the deputy chairman of the Sakha Republic (Yakutia) Government. He is designated Honored Employee of the Economy of the Sakha Republic (Yakutia).

Edict of the President of the Sakha Republic (Yakutia)

On the Appointment of V.M. Vlasov as Deputy Chairman of the Sakha Republic (Yakutia) Government

To appoint **Vasiliy Mikhaylovich Vlasov** as deputy chairman of the Sakha Republic (Yakutia) Government.

[Signed] M. Nikolayev, president of the Sakha Republic (Yakutia)

26 January 1995, city of Yakutsk

V.M. VLASOV was born in 1945. He is Russian, with higher education, a candidate of technical sciences.

He began his career as an engineer at the Yakutniproalmaz Institute. He performed scientific and party work. In 1990-1993, he served as first deputy chairman of the Supreme Soviet of the Sakha Republic (Yakutia). Since 1993, he has been deputy chairman of the Sakha Republic (Yakutia) Government and director of the Pension Service Department of the Sakha Republic (Yakutia).

Edict of the President of the Sakha Republic (Yakutia)

On the Appointment of Ye.A. Borisov as Deputy Chairman of the Sakha Republic (Yakutia) Government

To appoint **Yegor Afanasyevich Borisov** as deputy chairman of the Sakha Republic (Yakutia) Government.

[Signed] M. Nikolayev, president of the Sakha Republic (Yakutia)

26 January 1995, city of Yakutsk

Ye.A. BORISOV was born in 1954. He is Yakut, with higher education.

He began his career, upon completing the institute, as a worker in the Selkhoztekhnika rayon association. He served as first deputy chairman of the rayon agro-industrial directorate. In 1987-1991, he performed party and soviet work. In 1991-1992, he was deputy minister of agriculture of the Sakha Republic (Yakutia). In 1992-1993, he served as deputy chairman, and since 1993, as first deputy chairman of the Sakha Republic (Yakutia) Government. He is designated Honored Employee of the Economy of the Sakha Republic (Yakutia).

Edict of the President of the Sakha Republic (Yakutia)

On the Appointment of R.A. Burnashov as Deputy Chairman of the Sakha Republic (Yakutia) Government

To appoint **Robert Andreyevich Burnashov** as deputy chairman of the Sakha Republic (Yakutia) Government, releasing him from the position of chairman of the Sakha Republic (Yakutia) State Committee for Economics and Forecasting.

[Signed] M. Nikolayev, president of the Sakha Republic (Yakutia)

26 January 1995, city of Yakutsk

R.A. BURNASHOV was born in 1947. He is Yakut, with higher education.

He began his career as a sovkhoz carpenter. He worked as an economist and division chief in the statistics organs. During 1980-1989, he served as deputy chairman of the Sakha Republic (Yakutia) State Committee on Pricing Policy. During 1989-1992, he was first deputy chairman of the republic Gosplan [State Planning Committee]. In 1992-1993, he served as chairman of the Sakha Republic (Yakutia) State Committee for Management of State Property. Since 1993, he has been chairman of the Sakha Republic (Yakutia) State Committee for Economics and Forecasting.

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Edict of the President of the Sakha Republic (Yakutia)

On the Appointment of R.Yu. Shipkov as Deputy Chairman of the Sakha Republic (Yakutia) Government

To appoint **Ruslan Yuryevich Shipkov** as deputy chairman of the Sakha Republic (Yakutia) Government, releasing him from the position of president of the Sakhaneftegaz national oil and gas company.

[Signed] M. Nikolayev, president of the Sakha Republic (Yakutia)

26 January 1995, city of Yakutsk

R.Yu. SHIPKOV was born in 1952. He is Russian, with higher education.

He began his career as a power-saw operator in the construction and installation directorate of the Yakutselstroy trust. Following his training in the institute, he was an engineer, senior foreman, and chief of the Emergency Dispatch Service of the Yakutmezhraygaz trust. He performed party work. During 1991-1992, he was first deputy director general of the Yakutgazprom association. Since the end of 1992, he has been president of the Sakhaneftegaz national oil and gas company.

Sakha President's Edict on Organs of Executive Power

954F1425B Yakutsk RESPUBLIKA SAKHA in Russian 28 Jan 95 p 1

["Edict of the President of the Sakha Republic (Yakutia): On the Republic Organs of Executive Power"]

[FBIS Translated Text] On the basis of Article 70 of the Sakha Republic (Yakutia) Constitution, with the aim of improving the system, determining the organizational-legal status of republic organs of executive power, and enhancing the effectiveness of state government, and in connection with the appointment of the chairman of the Sakha Republic (Yakutia) Government, I decree:

1. To establish that the republic organs of executive power of the Sakha Republic (Yakutia) fall under the jurisdiction of the Sakha Republic (Yakutia) Government, with the exception of those functions they fulfill in support of the constitutional authority of the Sakha Republic (Yakutia) president or his jurisdiction, in accordance with legislative acts of the Sakha Republic (Yakutia) and of the Russian Federation.

2. To transform:

the Sakha Republic (Yakutia) State Committee for Economics and Forecasting into the Sakha Republic (Yakutia) Ministry of Economics;

the Sakha Republic (Yakutia) State Committee on Privatization, Antimonopoly Policy, and Small- and Mid-Scale Business, and the State Property Management Fund of the Sakha Republic (Yakutia) Government into a single entity—the Sakha Republic (Yakutia) State Committee for the Management of State Property;

The Committee for Foreign Economic Relations of the Sakha Republic (Yakutia) Ministry of Foreign Relations shall comprise the basis for establishment of the Republic Foreign Economic Chamber, with participation of the Sakhavneshopttorg state company for foreign wholesale trade, Sakhavneshstroy state enterprise within the Sakha Republic (Yakutia) Government, Aar Yur International state legal firm, Sakhakontrakt state foreign trade firm, and other enterprises engaged in foreign economic activity, this chamber being outside the framework of the Sakha Republic (Yakutia) Ministry of Foreign Relations.

3. To eliminate:

the Ministry of Information Science, Communications, and Transportation of the Sakha Republic (Yakutia), transferring a portion of its functions to the newly established Ministry for Material Resources, Trade, and Transportation;

the Ministry for Amur-Yakutsk Main Line Affairs, forming an open- type joint-stock company based on enterprises and organizations participating in construction and operation of the Amur-Yakutsk Railroad.

4. To redesignate:

the Sakha Republic (Yakutia) Ministry of Agriculture as the Sakha Republic (Yakutia) Ministry of Agriculture and Foodstuffs;

the Sakha Republic (Yakutia) State Committee for Sanitation and Epidemiological Oversight of the Sakha Republic (Yakutia) President—as the Sakha Republic (Yakutia) State Committee for Sanitation and Epidemiological Oversight of the Sakha Republic (Yakutia) Government;

the Capital Construction Administration of the Sakha Republic (Yakutia) State Committee for Construction and Architecture—as the Capital Construction Administration of the Sakha Republic (Yakutia) Government, removing it from within the State Committee.

5. To establish:

the Ministry for Material Resources, Trade, and Transportation of the Sakha Republic (Yakutia)—based on the Department for Material-Technical Support of the Sakha Republic (Yakutia) Government, and the Committee for Protection of Consumer Rights in Trade and Services of the Sakha Republic (Yakutia) Government;

the Department for Housing and Municipal Management and Provision of Services to the Populace of the Sakha Republic (Yakutia)—based on the Committee for Energy and Municipal Services of the Sakha Republic (Yakutia) Government, transferring to it functions under the jurisdiction of the Sakha Republic (Yakutia) Ministry of Industry;

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the Sakha Republic (Yakutia) State Committee for Energy, transferring to it functions under the jurisdiction of the Committee for Energy and Municipal Services of the Sakha Republic (Yakutia) Government.

6. That the Sakha Republic (Yakutia) Government shall:

—approve the composition of elimination commissions within two weeks, in accordance with Point 3 of this edict, and decide the question of expenses related to the accomplishment of elimination measures;

—decide within one month the issue of property of the republic organs of executive power being eliminated;

—complete elimination procedures within three months;

—approve within two months the authorized personnel strength of republic organs of executive power, the Wage Fund, the Statute on Republic Organs of Executive Power, and other conditions supporting the activity of these organs and their employees; provide guarantees prescribed by Sakha Republic (Yakutia) and Russian Federation legislation for state employees released;

—approve the Statute and Structure of the Republic Foreign Economic Chamber;

—approve the Amur-Yakutsk Railroad open-type joint-stock company, and register it in accordance with established procedure;

—ensure overall personnel-strength reductions in the republic organs of executive power, and in the apparatuses of the president and government, to the extent of not less than 20 percent;

—bring previously adopted resolutions of the president and Government of the Sakha Republic (Yakutia) on the formation of republic organs of executive power into conformance with this edict.

7. To establish that the chairman of the Sakha Republic (Yakutia) Government shall have six deputies, including one first deputy.

8. That the changes with respect to republic organs of executive power envisaged by this edict shall be coordinated with the State Assembly (Il Tumen) of the Sakha Republic (Yakutia).

[Signed] M. Nikolayev, president of the Sakha Republic (Yakutia)

13 January 1995

City of Yakutsk

Khanty-Mansi Okrug Duma Session Reported

954F1497A Tyumen TYUMENSKAYA PRAVDA in Russian 31 Jan 95 p 1

[Article by Sergey Shilnikov: "In the Okrug Duma. Without Funds the 'Budget Picture' Looks Boring, Sad, and Depressing..."]

[FBIS Translated Text] The main subject of discussion at the regular session of the Khanty-Mansi Autonomous Okrug Duma, which took place during 25-26 January, was funds. As we know, they do not go directly into the budget but are formed at the expense of the taxpayers in an amount that is commensurate with the budget, and without them it is difficult to speak of a full "budget picture." Therefore two-thirds of the time in the session was devoted precisely to funds and branch programs—the first and third issues on the agenda. There was a total of 16 issues on the agenda.

Okrug Duma Chairman Sergey Sobyanin opened the meeting and asked for discussion of the agenda. Deputy Vladimir Aseyev, on instructions from the commission, asked that the fourth question be removed—on the draft Charter of the Khanty-Mansi Autonomous Okrug, since the okrug charter had to be coordinated with the oblast charter. Sobyanin explained that this was the decision of the council of Three Dumas, whose meeting took place the night before in Tyumen. Therefore instead of the previously planned item-by-item discussion of the Charter in the third reading it was suggested that there simply be an exchange of opinions. The deputies agreed and the agenda assumed a "purely economic slant." And so, funds. The first report to be heard was from the ecology fund. The executive director, Antonina Tarkhanova, reminded people that the fund had been in existence since 1992. It had been created for financing measures contributing to improvement of the environment and was functioning according to a program approved by the administration.

The first deputy chief of the city of Nizhnevartovsk, Deputy Vladimir Grabovskiy, was interested in the criteria by which various enterprises are exempted from payments into the ecology fund. Antonina Tarkhanova responded that none of the enterprises is fully exempt and that the criteria are simple: If the enterprise is actively conducting measures for environmental protection, naturally, the fund cannot but pay attention to these efforts.

"I do not think that is exactly right," Grabovskiy said after hearing the answer. "Four enterprises, and all of them from Surgut, are on the list of those that are exempt. I do not think that Surgut is the only city actively working on ecology. Such a territorial approach in general discredits the idea of the fund's operation."

"I would ask you not to draw such hasty conclusions," the chief of the administration of the Khanty-Mansi Autonomous Okrug, Aleksandr Filipenko, entered the discussion. "There can be no question of any geographical prejudices, it is simply that Nizhnevartovsk did not come to us with similar proposals."

"It would probably be more logical to speak not about abolishing benefits but about having the commission hear from enterprises that have received benefits," noted the mayor of Langepas, Deputy Vladimir Asayev.

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This was the rigid and still rather respectful form in which the discussion of the funds' work proceeded: the ecology fund, the okrug fund for mandatory medical insurance, the territorial road fund, the okrug fund for social protection and support of the population, the northern fund, the okrug division of the pension fund of Russia for the Khanty-Mansi Autonomous Okrug, the okrug currency fund, the okrug division of the social insurance fund, and the employment fund.

Figures were given and their distribution among the various territories was discussed at length and carefully, which, along with the budget, makes up the full budget picture—a subject of concern of any chief of an administration of a city or rayon and of any deputy. I looked, and I must admit I thought that perhaps the oblast budget too deserves this kind of attention. It is time, oh it is time! If we lay claim to a leading role among the components of the Federation located on the territory of the oblast, it is time to demonstrate this leadership in reality. It would seem that the representative power has already begun this. In any case the chairman of the oblast Duma, Nikolay Baryshnikov, is constantly welcoming the okrug Duma at meetings and, along with its chairman, Sergey Sobyanin, actively coordinates the work of the two Dumas. But here in the oblast executive branch, alas, the same cannot be said. And it is sad. It is sad that at this session, in addition to funds, we are also discussing the okrug programs and that there was not an authorized representative of the oblast administration in charge of the block of economic problems. It is sad because the okrug programs are joined to the oblast programs. And although according to the decision of the council of the three dumas they are brought up separately and are not discussed at sessions of the okrug dumas, it would not be at all difficult to begin to coordinate them in the stage of the discussion of okrug programs. Coordination is coordination, and the sooner it is started, the better.

But that is that, a "lyrical" digression. But in addition to the basic budget issues, measures devoted to celebrating the Great Victory were also discussed. Here complete understanding with Tyumen's position was reached. There was discussion of the question of granting tax breaks to enterprises of the timber industry complex. It was decided to give benefits for specific programs for one enterprise or another to emerge from the crisis. The discussion of the extremely painful question of moving the rayon center from the village of Kondinskiy to the village of Mezhdurechenskiy was ended for good. Only one deputy voted against it. With this the regular session of the okrug duma ended its work.

Khanty-Mansi Duma Chief on Current Goals

954F1497B Tyumen TYUMENSKAYA PRAVDA in Russian 1 Feb 95 p 2

[Interview with Sergey Sobyanin, chairman of the state Duma of Khanty-Mansi Okrug, by Vitaliy Snisarenko; place and date not given: "Sergey Sobyanin: 'The Oblast Needs a General Concept...'"]

[FBIS Translated Text] Having visited Khanty-Mansi many times, I am increasingly convinced that the okrug center is hardly likely ever to become a gem of modern architecture. There are not enough petrodollars for this since, in my view, it would be easier to build a new city on a vacant field than to try to modernize its old "village" infrastructure and make it look like a capital.

Although the foundations have been laid for the bank offices, although they have already moved into the business center building that was built by Canadians, perhaps it would be better to make Surgut the business epicenter of the okrug. People have written about this repeatedly, but it does not seem to be possible to overcome the ambition to plant a Siberian Santa Barbara or a New Vasyuki among the marshes.

I think the other "side of the coin" in Khanty-Mansi is more significant: In recent years a whole pleiad of politicians and state bureaucrats have come from here to the oblast political scene, and the okrug has even presented Tyumen with one of its own in the role of chairman of the oblast Duma.

But one of the most remarkable figures in the modern political scene today, in the opinion of a number of analysts, is Sergey Sobyanin, chairman of the State Duma of this same okrug. An interview with him is offered for the attention of our newspaper's readers....

It turned out that almost the first question was asked not by me but by my opponent: "Is the very idea of the existence of Khanty-Mansi Okrug valid from an economic standpoint?" And there was no way to avoid a positive "yes," for to solve immediate problems of life support for the most populous region of the oblast today, as before, sitting in remote Tyumen would be difficult, especially now. We know that in the south they are "up to their ears" in trouble and we know how ineffective the plan for administration of Russia itself is, when within Sadovoye circle of Moscow they are now trying to solve all the problems for Khabarovsk or Tambov, Minusinsk or Uryupinsk, and with their excessive tax burden the capital reform team has actually itself doomed these reforms to failure. Equally convincing was another initial premise of S. Sobyanin's conclusions: If there really is a problem with the triune nature of the oblast, switching to the old plan for a common budget could only exacerbate the problem under today's conditions. The southern part of the oblast would be the first to lose money in this case: Today it is on subsidies and surviving on payments from the North, and if the budget were consolidated, this plan would automatically disappear.

"It is not here that we should start tearing things down," concludes S. Sobyanin, "that is not the problem...."

[Snisarenko] Well, what is it?

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[Sobyanin] In principle the very mechanism for the initial introduction of the Federation Treaty, with all of its obvious shortcomings, has generally only accelerated the beginning of an improvement of the old plan for administration. Tyumen Oblast is unified and indivisible and only unintelligent politickers could even try to attack this unshakable principle. To continue in the future to rock these boats is stupid and unacceptable. Today "all of Tyumen" seems to have come to this conclusion.

I dare say that in this stage of the standoff we have reached a common denominator. And this is not a standoff but marching in place. I think that the last joint session of the "Three Dumas" finally drew the line in the process which could actually lead us God knows where.

Today the oblast desperately needs a unified general concept for its development. Without this everyone loses—both the okrug and the south. It is a great pity that we have lost so much time, and this gives rise to the strict deadlines which have been set by our "Tyumen Europarliament": that the work group that has been created will start to function, we will work out the bugs in January and February, and in March—we will have a final decision.

Our area feeds all of Russia. And we feed it much better than we feed ourselves: This is our problem, this is the root cause of the fact that the richest area in the Russian Federation is wallowing in poverty. But there is no point in going further—it will only get worse. Therefore I am against concluding local agreements with the Center; something else is needed—a joint federation treaty with three parties.

Without a unified front we lose many times over....

[Snisarenko] A migration department has appeared among the services of the okrug administration. Is this a problem?

[Sobyanin] And a very critical one! It affects above all the northern megalopolis cities—Nizhnevartovsk, Surgut, and others. Perhaps the watch method of assimilation of petroleum and gas deposits really is the best, but it is impossible to get away from the reality of the existence of immense cities among the marshes: This is where there is a surplus of working population, but there are also others as well—the elderly, children... we simply cannot resettle "superfluous people" in the south—time, money, human destinies. We can only solve this problem together, on the scale of the oblast.

[Snisarenko] What do we get "from oil"? On the plane of the creation of a "Siberian Kuwait" how effective was the privatization of the oil and gas complex?

[Sobyanin] We are now consoling ourselves with the illusion of Kuwait. But in the big picture, taking the territory's interests into account, privatization and the creation of joint-stock companies out of the petroleum and gas complex are useless. Only the Aborigines stood to gain anything. And this was a miserly amount. We have oil nouveaux riches, and everything else is pathetic crumbs. Solving this ultra-significant problem is our common business. Again, we can hardly solve it separately. This is the highest political and economic level, here we have a mixture of old and new legislation, and here is where we must concentrate our territorial legislative work.

The oblast, which is unique in terms of the complex of possibilities of its vertical geographical meridian, is not only capable of serving as an economic spine for the young democratic Russia, but above all it itself could become a flourishing region.

[Snisarenko] What, in your view, is the main feature of modern politics?

[Sobyanin] Responsibility to the people! Today it is the territorial Dumas that have placed their heads on the chopping block of daily life, we are between Scylla and Charybdis, between ill-considered decisions of the Federal Center and the people. And if we are unable to bear this burden on our shoulders, we are not worth our salt.

In principle it is on the territorial policy—and the politicians!—that the fate of Russia depends today. That same Chechnya drama is on our conscience....

I say this: Having entered into politics with a fairly clear idea of the problems facing us, I do not have the right to leave without solving them. Today everyone must be responsible for his own affairs, but, unfortunately, irresponsibility is still as fashionable among us as it was before.

I do not rule out the possibility of running in the forthcoming elections to the Russian parliament.

[Snisarenko] And in the elections for oblast governor?

[Sobyanin] Possibly that too....

[Snisarenko] I wish you success!

From the TYUMENSKAYA PRAVDA files

Sergey Semenovich Sobyanin, 36 years old, born in the village of Pyaksimvol in Berezovskiy Rayon.

Education: Kostroma Technological Institute, Higher Correspondence Jurisprudence Institute, speaks English.

Stages of life path: foreman of turning shop at Chelyabinsk pipe rolling plant, soviet of people's deputies of the village of Kogalym, from 1991 through 1993—mayor of the city of Kogalym. Since 1993—first deputy chief of administration of Khanty-Mansi Okrug, since 1994—chairman of the okrug Duma.

Demographic Changes in Maritime Kray Outlined

954F1624A Vladivostok VLADIVOSTOK in Russian 2 Mar 95 p 2

[Oleg Podshivalov report: "Our Numbers Are Diminishing"]

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[FBIS Translated Text] **According to a report of the kray State Committee for Statistics, the population of the Maritime region declined by 1,500 persons last year.**

The decline in population here occurred only in the cities, the number of whose inhabitants fell by 1,600. Even a negligible increase—of 100 persons—was observed in rural localities. There was a negligible increase in the population's migration mobility. Sixty-nine out of every 1,000 persons changed their place of residence (there were 66 moves per 1,000 persons in 1993).

Some 7,700 Maritime inhabitants left the Far East last year for other regions of Russia. They preferred most often the Central, North Caucasus, Volga, and Urals areas. The drain of the population to Ukraine ceased completely. The drain of inhabitants to Belarus declined threefold.

The population of the kray was replenished, as previously, by inhabitants of the Far East region. People come to us mainly from Magadan, Sakhalin, and Kamchatka Oblasts. A significant increase was observed in the migration exchange with the republics of Central Asia and the Transcaucasus and Kazakhstan.

There is growing number and proportion also among the arrivals of refugees and persons leaving their place of residence involuntarily. In 1994 the kray's migration service registered 1,410 persons in this capacity or 3.3 percent of all new arrivals from outside of the kray. The largest number of refugees came from Uzbekistan, Kyrgyzstan, and Kazakhstan. Russians constituted 69 percent of all involuntary immigrants to the Maritime area here.

Economic Issues

'Reasonable Compromise' Expected With IMF

MM0103144295 Moscow ROSSIYSKIYE VESTI in Russian 28 Feb 95 p 3

[Commentary by Yuriy Nikolayev and Kira Sharonova: "The IMF Credit—Myth or Reality?"]

[FBIS Translated Text] Recently the discussion about Moscow's talks with the IMF has started up again. Some commentators' columns abound in comments such as: "The IMF has broken off the talks," "they will hardly give us credits," and so forth. In short, the commentaries are overflowing with skepticism. However, in their assumptions many observers do not cite any sources for their conclusions, it is all pure supposition.

We went straight to those people who are directly involved in preparing the documents for discussions with the Western financiers, that is, to the Finance Ministry. Here is what we managed to find out.

Back in October last year talks began with the IMF on granting Russia a credit of $6.2 billion. This is a medium-term loan at approximately 5 percent a year, repayable over five years. The credit is not issued all at once but in tranches. The first payments begin three years after receipt of the first tranche. Its main advantage is that it is "not tied," that is, it is intended to support the government's economic program. This gives the government room for maneuver in how it uses the financial resources. The assumption is that the implementation of the economic program will increase budget revenue to such an extent that we will be able to pay for the credits granted.

The two sides came to the same understanding: That this means the preparation of a fairly major economic program which envisages a number of concrete steps to implement a certain money-credit policy, the further liberalization of foreign trade, and so forth. It goes without saying that the IMF's representatives would like to see in Russia's plans some reliable guarantees that the money would be repaid: that no one is going to squander this money. The point of the talks that are being held is to embark on a form of development for Russia which satisfies both sides. It is natural that each of them sets out its ideas and defends its understanding and view of the option under discussion. It is not always possible to find an acceptable compromise straight away. That is why it is necessary sometimes to study each other's proposals and call a recess in the talks. The latest recess was called after 6 February. The delegations went their separate ways to analyze each other's position.

A normal negotiating process! On arrival in Paris IMF Managing Director Michel Camdessus noted that Russia has given "serious and appropriate" responses to questions about its economic policy. Nevertheless, he added, the IMF's representatives did not consider them sufficient for Russia to receive the credits. They went back to Washington to discuss Russia's proposals at the IMF board of directors.

Clearly, Camdessus' words were also the reason for the gloomy forecasts by some observers. In our view, such forecasts are totally unwarranted. It is not impossible that they conceal a desire on the part of certain political forces to profit from the negotiating process. Meanwhile, the Russian side has also analyzed the ideas expressed by the IMF's representatives and prepared its own arguments for the next round in the negotiations.

A few days ago the meeting resumed. The discussion will continue and the debates, in our view, will continue until the credit question is resolved.

Of course, Andrey Filev, leader of the International Financial Organizations Department, says, our side will have to prove that Moscow will fulfill the plans without fail. Furthermore, it will have to do so more than once and not only in words. The fact is that the credit is allocated in tranches quite deliberately. Each new tranche is issued only if the actual situation confirms that the government is able to adhere precisely to its chosen course. Otherwise the credit line may be terminated.

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The main indicator of that is the state of the budget. We expect that we will reach agreement with the IMF and receive the money in April. But all this does not mean that the IMF will pressure us. At talks with the IMF the government of any country draws up a program which it presents to the IMF. If that programs seems unrealistic to the IMF it will not support it, that is all there is to it. And each government decides whether to seek IMF credits.

In my view, the program that we have offered is realistic. And if we implement it the country will move forward. I can add that even though the talks are confidential it is no secret that sometimes they are not easy and the debates are heated. And the Russian side does not accept all of the comments made by the IMF, which sometimes thinks that any previously approved measures can be applied to Russia too. It is no coincidence that the IMF agreed that the general rule does not apply to Russia. That became particularly evident last year...

Meanwhile, the NEW YORK POST noted recently: "The IMF believes that Russia is a special case..."

On the eve of the new meeting with the IMF delegation some figures expressed the confidence that agreement with the IMF will be reached. What are the grounds for such optimism? First of all the assumption that the government will manage to adopt a budget for this year in the form proposed by it (on Friday the State Duma gave the draft budget its third reading), will control inflation, will find a compromise in the sphere of liberalizing foreign economic activity, and will manage to stabilize the ruble. Aleksandr Livshits, the president's aide, believes that the liberalization of oil exporting and a veto on the minimum wage determined by parliament will increase the chances of a positive decision from the IMF. On 7 February Michel Camdessus, in turn, expressed confidence that an agreement will be reached.

But supposing the talks fail, doubtful though that may be? Then we are in for certain difficulties. Economics Minister Yevgeniy Yasin predicts that the government will abandon the policy of financial stabilization. The conditions for galloping inflation might occur. But that would wreck the plans for the sensible use of the credits granted previously.

Nevertheless, in government circles the prevailing opinion is that the talks will lead to a reasonable compromise. Well, there is not long to wait. The guests from Washington have already arrived in Moscow.

Chubays Says Talks With IMF at 'Final Stage'

LD0103142095 Moscow ITAR-TASS in English 1341 GMT 1 Mar 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Transcribed Text] Moscow March 1 TASS—The IMF mission, now in Moscow, will complete the technical part of work on appropriating a 6.25-billion-dollar reserve credit to Russia early or in the middle of the next week, Russian Vice-Premier Anatoliy Chubays told a briefing in the Kremlin on Wednesday [1 March].

According to Chubays, preparation of documents is connected with a great amount of calculations and their checkup.

Following the completion of this part of work next week, the question will be brought to the political level, Chubays noted. He stressed that the talks with the IMF are "at the final stage".

It will be necessary to exercise control over understandings which will be reached. However, it is inexpedient to set up any special bodies or commissions, vice-premier noted.

A decision was taken to charge the credit commission with functions on monitoring the current financial policy and implementation of understandings.

The commission includes representatives from the government, the Russian central bank, interested ministries and departments, Chubays concluded.

Ukraine's Negative Balance With Russia Set To Persist

MM0103102095 Moscow ROSSIYSKAYA GAZETA in Russian 25 Feb 95 First Edition

[Unattributed report: "Is It Good To Be a Donor?"—from the "Economic Union" section, p 2]

[FBIS Translated Text] Moscow—The CIS countries' total debt to Russia as of 1 January this year totaled around 15 trillion rubles. This was stated by Vladimir Pokrovskiy, deputy minister for cooperation with CIS states.

Pokrovskiy expressed the belief that Ukraine's large negative trade balance with the Russian Federation would persist for a long time yet. According to him, this is attributable to the economic structure inherited by Kiev from the former USSR.

The lack of a solution to questions of clearing the Ukrainian debt to Moscow and the division and basing of the Black Sea Fleet is the main reason why the dates of the Russian Federation president's state visit to Kiev have still not been fixed, Pokrovskiy added. He explained that the question of the proportions of Kiev's debt to Russia that are to be covered by the financial resources and shares of Ukrainian enterprises and their property had already been settled at expert level.

The deputy minister acknowledged that there are difficulties regarding the formation of the Interstate Economic Committee's statutory organs—its presidium and collegium, to which not all Commonwealth countries have yet appointed their authorized representatives.

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U.S Company To Aid Development of Pokrovsk Gold Field

LD0203194895 Moscow INTERFAX in English 1639 GMT 2 Mar 95

[FBIS Transcribed Text] MOSCOW, Mar 2 (Interfax)—The U.S. Homestake Mining Company will take part in developing the Pokrovsk gold field (the Amur Region near Lake Baykal).

The license for development of the gold field belongs to the Russian Tokur-Zoloto (Tokur-Gold) joint stock company, Tokur-Zoloto Vice President Sergei Ershov told Interfax today.

Under the contract signed between Homestake Mining, Zoloto Mining Ltd. (the investment company created by Tokur-Zoloto in London in 1994) and Britain's Peter Hambro Plc [name as received], the U.S. company received the right to buy up to 67% of Zoloto Mining shares. Tokur-Zoloto said Homestake Mining had already allotted funds for a feasibility study of the project.

Zoloto Mining is expected to receive about 70% of shares in the joint stock company which will develop the Pokrovsk gold field. Ershov said that thus the U.S. company would have about 50% of the profits from implementing the project worth a total of about $70 million. Ershov said the required funds would be received from investments by Homestake Mining and the sale of Zoloto Mining shares on the London Stock Exchange which is expected to begin in September 1995. Zoloto Mining shares are now being distributed between Western investors, including British and U.S. investment funds, under closed subscription.

The industrial resources of the Pokrovsk gold field total 55.9 tonnes of gold and 91.6 tonnes of silver.

Chubays, Livshits Explain Latest Financial Edicts

MK0203085095 Moscow SEGODNYA in Russian 2 Mar 95 p 1

[Report by Aleksandr Bekker under the "Strategy" rubric: "Three Presidential Edicts: Liberalization of the Economy Through State Regulation"]

[FBIS Translated Text] Twelve days after Boris Yeltsin delivered his address to the Federal Assembly, the president signed three edicts that flesh out the economic part of his message with specific mechanisms. First Deputy Prime Minister Anatoliy Chubays and presidential adviser Aleksandr Livshits briefed journalists on the edicts' contents and objectives yesterday.

Introducing his comments on Edict No. 226, "On Measures To Tighten Financial Discipline in the Execution of the Federal Budget," Mr. Livshits recalled an episode during Boris Yeltsin's speech in the Kremlin 16 February. At the time, his statement to the effect that no one is entitled to undermine the budget elicited an emotional response from the audience. This time the audience did not faint on hearing edict paragraphs, although it did give them their due. The president announced that decisions by any federal government authorities that may entail spending not provided for in the budget or cut budget revenue (including tax breaks) may be made exclusively via edicts of the head of state. These will specify the amounts of spending and periods of time and, correspondingly, make references to budget articles to be cut or sources of extra revenue. Boris Yeltsin may pass such decision only at the government's recommendation. No other procedure for considering such encroachments on the budget is foreseen.

The other edict paragraphs task the Finance Ministry with submitting within two weeks proposals to the government on rescinding decisions made earlier by it or other federal government authorities on expenditures not envisioned in the budget. In two weeks' time the government itself will have to submit to the president a list of such self-restrictions.

The second edict, presented by Mr. Livshits, deals with state regulation of natural monopolies. "This is not, of course, an attempt to create the perfect scheme here," the presidential adviser cautioned. "But this is one of the first serious steps aimed at bringing order." The document set criteria for natural monopolies in the fuel and energy sector, transport, and communications systems. The government was tasked with setting up three federal services to regulate such areas as oil, oil product, and gas transportation via cross-country pipelines, electric power and heat generation and transmission services, railway transportation, public electric utilities and post service. The edict has forestalled the State Duma's adoption of the Law on Natural Monopolies, but it does not contradict it, Mr. Livshits said.

Vyacheslav Kostikov, who hosted the news conference, left comments on the third edict, "On Measures To Streamline State Regulation of Prices and Tariffs," to Mr. Chubays. The first deputy prime minister, while pointing out the consistent progress of reform, spoke about the need to take yet more steps to liberalize the economy. The area of pricing, in which state regulation currently covers from 22 to 24 percent of the entire price list, is seen by the government as fertile ground for such steps. Monitoring has shown that in regions where prices have been liberalized they grow slower than in regions where the authorities are keeping "a tight rein" on them or at the same rate. Therefore, a new liberalization has been overdue, a liberalization that, according to Mr. Chubays, would bring the share of prices controlled by the state to 15-16 percent of GDP. Once the cabinet passes appropriate decisions, the area of state regulation will be limited, as a rule, to natural monopolies.

Summing up the news, Mr. Chubays said that "the edicts are creating conditions for slowing down the growth of prices." That is to say, they are designed to underpin the trend that emerged in February, when inflation was

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reduced to 13 percent against 18.4 percent in January. The Central Bank has so far been cautiously studying the February drop in the inflation rate and does not see monthly indicators as sufficient grounds for adjusting its lending policy. Central Bank Chairman Tatyana Paramonova told INTERFAX yesterday that the question of changing the refinancing rate may be put on the agenda only "if we see that the trend toward slowing down the inflation rate has become sustainable in nature."

The inflation tax cuts were accompanied by a presidential edict of 23 February on compensation payments to families with children, students, and some other categories of people starting 1 March and a related government decree on increasing rates of the single wage rate scale for workers of budget-financed sectors. "These decisions have drawn the line under discussions on increasing the minimum wage," was how the first deputy prime minister wrapped up his comments.

Thus the executive authority has taken the right to populism away from the legislative branch. If something is done in this area, it will be known who has done so. For instance, by abolishing all foreign trade preferences for associations of athletes, disabled persons, and Afghan war veterans, the government made a provision in the budget for supporting those same disabled persons and Afghan war veterans to the tune of 250 billion rubles. You may say, of course, that this changes the government's approach to the mechanism of preferences, but these are details. The three presidential edicts prove that economic liberalization will be carried out by methods of state regulation and increasing state control. Mr. Livshits formulated this idea as follows: "The use by the authorities of considerable opportunities for increasing the efficiency of the economic mechanism." "And this is only the beginning," he added in a matter-of-fact tone.

Shokhin on Pitfalls of Russian Debt Restructuring

MK0203105095 Moscow SEGODNYA in Russian 2 Mar 95 p 2

[Aleksandr Bekker report in the "Prospects" column: "Rescheduling the Soviet Debt Could Double It. According to Aleksandr Shokhin, the Dialogue With the West Should be Built on a 'Package' Basis"]

[FBIS Translated Text] In the next few days President Yeltsin will sign an edict on abolishing as of 1 March special oil and oil product exporters, and also on free, competitive access to the export oil pipeline. This was announced yesterday by State Duma deputy Aleksandr Shokhin, who spoke at a session of the Interaction reform club. Presumably Russia has thus removed the final obstacle in the way of the IMF's approving a decision to provide a $6.1 billion standby credit. In the first half of March Viktor Chernomyrdin is to have what is basically a political meeting with fund Executive Director Michel Camdessus, in the course of which pleasant pastime in Zavidovo talks will smoothly proceed to the premier's assurances about the adherence to the course of reform and the director's return promise to stay loyal to "loyalty." Two weeks later a decision is to be made by the IMF Board of Directors. In the last days of March the first standby tranche is to be made to Moscow.

Such a scenario is fairly likely. Yet a major technical problem for Russia has not as yet been resolved. It is important for the Chernomyrdin cabinet whether the credit will be hard or soft, i.e., whether it will be provided on a quarterly basis ($1.5 billion each time) or in monthly installments ($150-$200 million). In the latter case, apart from offending the government's vanity, the monitoring of the economic situation in the county, performed by the Central Bank and the Finance Ministry (monthly preparation of pages of accounts reports), will be made difficult. Presumably the Russian delegation will do everything possible to make sure that toward the end of negotiations with the IMF technical mission (early next week), the decision on the final credit scheme is favorable.

Aleksandr Shokhin believes that "this has not happened owing to a dramatic deviation from the program" developed when he was vice premier and which was presented to a meeting with the G-7 in Madrid in October 1994. It included the now broadly known plans to bring inflation down to 1-2 percent by the end of 1995 and to cover the budget deficit without printing more money. For their part, Western financial institutions grant Russia standby credits and a stabilization fund ($6 billion), while the Paris Club reschedules the aggregate debt of the former USSR and Russia. The need for such a "package" approach is due to a number of reasons. First, a peak of debt payments will come in 1997, and therefore it needs to be leveled out. Second, 1995 is the optimal year from the point of view of receiving a maximum volume of outside loans. Then it will be possible in 1996 to undertake a structural maneuver and increase tax collection by 4 percent (up to the 1992 level), to conduct reform methodically, and not ask for more money from the West.

It is quite possible that in the course of his visit to London Premier Chernomyrdin will resume the conversation about the Madrid package; in the French capital he will meet with Christian Noyer, president of the Paris Club, to discuss the subject of rescheduling the former USSR debt of $35 billion over a period of 20-25 years. Rescheduling, according to Shokhin, is a costly business: Under the scheme worked out by the Russian Government, it effectively doubles the sum of the debt. The other option is slightly milder: "To pull from the overall volume the debt sum for the next four years, marked by a peak of payments, rescheduling the remaining sum over 20-25 years."

The ex-vice premier continues, like last year, to insist that the scheme for writing off part of the debt proposed by Oleg Davydov is not beneficial in the short term because payments on the unwritten-off part would have

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to be made without delay. Shokhin drew attention to a threatening growth of the Russian part of the debt: "Payments on it have already equaled payments on the Soviet debt." This is why he recommends to the government to conduct negotiations with financial organizations of the West on a package basis.

Chubays Believes Inflation Will Fall in April, March

LD0103154795 Moscow INTERFAX in English 1514 GMT 1 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 1 (Interfax)—Russia's First Vice Premier Anatoliy Chubays believes that the inflation rate will continue to go down in Russia over the next few months.

He said that in February inflation did not exceed 13% (compared to 17.8% in January 1995). "We have every reason to believe that in March the rate of inflation will be lower than in February and in April lower than in March," he said.

He stated during a briefing in the Kremlin on Wednesday that "talks with the International Monetary Fund on the extension of a $6 billion credit are nearing completion." The IMF mission, currently working in Moscow, is likely to finish the technical part of the work by the beginning or middle of next week, he said, after which "political aspects of the issue will be discussed."

Chernomyrdin: 'Make-or-Break' Year For Economy

MS0603094495 London FINANCIAL TIMES in English 6 Mar 95 p 4

[Report on interview with Prime Minister Victor Chernomyrdin by Chrystia Freeland and Richard Lambert, in London; date not given]

[FBIS Transcribed Text] If Mr Victor Chernomyrdin, the Russian prime minister, had been born in the west, he could now have been in charge of a multinational such as General Motors. Even within the strait-jacket of the Soviet economy, Mr Chernomyrdin's hard-headed personality carried him to the top of Russia's equivalent of the western corporate elite: before moving into government he was the chairman of Gazprom, the Russian gas monopoly which controls 30 per cent of the world's known natural gas reserves.

But as the head of the Russian cabinet, Mr Chernomyrdin faces a task which would daunt the most fearless corporate trouble-shooter in the west. After four years of economic reforms, Russia is still prone to monthly levels of inflation in double digits, industrial production continues to decline, and the nascent private sector is ridden with corruption and a tendency to resolve business disputes with Kalashnikovs rather than court orders.

This is the year, Mr Chernomyrdin vows, when all that will change. He describes 1995 as a "turning point", the make-or-break year when the Russian government will at last succeed in stabilising the country's economy by sticking to an austere budget which has been pushed through parliament and seems on the brink of winning approval from the International Monetary Fund.

Mr Chernomyrdin is good at explaining why the Russian government has decided to move, as he puts it, from the "moderate austerity" of 1994 to the "true austerity programme" it hopes to implement this year.

"We cannot continue to drag out the process of economic reform," he says, and goes on to describe the high inflationary toll which Russia's piecemeal approach to economic reform in the past has exacted. This year, Mr Chernomyrdin vows, "we must kill inflation".

Another motive for Mr Chernomyrdin's public conversion to economic austerity during his tour of London and Paris last week is his government's effort to persuade western financial institutions to foot part of the bill for Russia's economic reforms. Mr Chernomyrdin insists that his programme "was not created under any pressure from the outside, it is our own programme", but he also says Moscow is counting on western aid to cover half the budget deficit, targeted at between 8 and 10 per cent of gross domestic product.

But for all his skill at conveying why Russia needs an economic breakthrough in 1995, Mr Chernomyrdin is less persuasive when it comes to explaining why that breakthrough should succeed. The 1995 programme is not the Russian government's, or even Mr Chernomyrdin's, maiden effort to accomplish economic stabilisation. Previous attempts to control inflation faltered when the government caved in to demands from industry and agriculture for cheap state credits.

Mr Chernomyrdin likes to style himself as "a pragmatist and a realist" and says he prefers to "err on the side of pessimism". Perhaps that is why the corporate manager-turned-premier is unable to offer a firm guarantee that this year there will be no state bail-outs of industry and agriculture. Indeed, he goes further, insisting that last year's government subsidies, which pushed monthly inflation back into the double digits, were necessary.

"Of course, the best thing would have been not to give credits, but in 1993 and 1994 it was impossible to survive without them," Mr Chernomyrdin says. "Today, looking back, I must say that I would do exactly the same thing again."

Mr Chernomyrdin has an equally pragmatic response to another of the principal criticisms of Russian economic policy: the failure of the government to obtain significant tax revenues from the oil and gas sector. Western economists and the World Bank have begun to point out that in other countries with substantial mineral resources, such as Indonesia, revenues from the oil sector have played a big role in helping to offset the costs of structural economic reform. But last year in Russia, oil and gas companies enjoyed substantial tax exemptions.

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Mr Chernomyrdin admits: "This is a serious problem because if the energy companies could pay taxes today that would be enough for us, we would hardly need to ask for western credits at all." But he argues that because of the general malaise of the Russian economy, energy producers are unable to make a substantial contribution to government coffers. "The negative processes in the economy influence the entire economy and the energy producers are the first to suffer," he states.

The Russian prime minister is a man acutely aware of the gap between what Russia needs—strict fiscal and monetary policies offset by tax revenues from the energy sector—and what can realistically be accomplished within the deformed economic landscape Russia has inherited from Soviet central planners. As much as anyone, Mr Chernomyrdin embodies the country's economic contradictions.

That is perhaps why he argues that Russia's economic travails are sui generis and that what Russia needs most is not clever economic policies, but time to mature.

"You cannot compare the Russian economy with that of any other country," Mr Chernomyrdin says. "For us today the principal shortcoming is not our financial situation but a lack of time. We must await the emergence of a new kind of man."

Mr Chernomyrdin's assertion oddly echoes Vladimir Lenin's call in 1917 for the creation of "a new Soviet man" able to construct communism. But as he realises, Russia's late 20th century capitalist revolutionaries lack one of the advantages which the initiators of the communist experiment enjoyed nearly 80 years ago. Whereas the Bolsheviks forced through their communist transformation with all the coercive power of an authoritarian state, Mr Chernomyrdin's effort to undo their work is being conducted by a government subject to the verdict of the ballot box.

He says the parliamentary and presidential elections which Russia plans to hold over the next 18 months pose a serious obstacle to his government's effort to finally make tough economic policies stick. "Our parliament has only been working for a little more than a year and when I think to myself that at the end of the year new people will be elected and the whole process of establishing relations with parliament will begin again, I realise that it is an utterly horrible prospect," Mr Chernomyrdin says. "Now is the period when we should be carefully moving forward with our economic programme step by step, but instead we will be distracted by an election campaign, by political competition and by populist outbursts."

The big question for Russia in 1995 is whether the premier can steer his government along its declared tough fiscal and monetary course against these anticipated waves of campaign-trail populism. Mr Chernomyrdin says Russia needs time this year there may not be enough.

Stepashin Discusses Economic Security Area in Yakutia

MK0403134595 Moscow NEZAVISIMAYA GAZETA in Russian 4 Mar 95 p 1

[POSTFACTUM report in the "In Brief" column: "Stepashin Is in Yakutia"]

[FBIS Translated Text] The problems of creating an economic security zone on the territory of the gold-mining regions in Yakutia were discussed yesterday at a meeting between Sergey Stepashin, director of the Federal Counterintelligence Service (FSK), and Mikhail Nikolayev, president of Yakutia. The FSK director said that Yakutia is now under the close supervision of the Russian special services due to the increased interest of foreign industrial espionage agencies in that region and, specifically, in its diamond- and gold-mining facilities.

Volskiy on Economic Reform Crisis

954F1552B Moscow DELOVOY MIR in Russian 16 Feb 95 p 2

[Article by Ye. Druzhinina: "Arkadiy Volskiy: 'Economic Reform at a Dead End'"]

[FBIS Translated Text] Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs believes that those who intend to take serious account of the situation in the domestic industry must visit St. Petersburg at least once a year. That is what he himself has done. This year his visit to the city on the Neva coincided with the annual meeting of the Union of Industrialists and Entrepreneurs of St. Petersburg.

The president of the Russian Union was a guest at the Lomonosov Porcelain Plant. At the Rubin Central Design Bureau of Marine Technology he met young entrepreneurs and once again he heard the wish urging creation of a political party on the basis of the Union. A discussion of the state of Russian industry in general and St. Petersburg in particular took place at Smolnyy.

The views held by Arkadiy Volskiy and Viktor Kharchenko, chairman of the Union of Industrialists and Entrepreneurs of St. Petersburg, coincided in principle. "The economic reform is at a dead end," is the view of the president of the Russian Union. "The economic crisis in Russia is close to a world record," declared the chairman of the St. Petersburg Union.

Arkadiy Vasilyevich stressed that during the period of reforms industrial production decreased by almost half, while investments went down by two-thirds. In St. Petersburg the decrease amounted to 25.3 percent for the year (including 60 percent in ferrous metallurgy and 49 percent in light industry).

A powerful structural shift took place as a result of which the Russian economy began acquiring a vividly expressed raw material character. In part, the specific

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share of the fuel industry, power engineering, and metallurgy increased last year to 47.7 percent, whereas in 1990 it amounted to 24 percent. At the same time the share of machine building decreased by almost half, while that of light industry went down by a factor of almost four.

"Despite our strong negative attitude toward the administrative command system, we believed that before it is transformed into a market system, it is necessary to create links of the new economic mechanisms replacing it, stage by stage. After all the economy does not like force," Arkadiy Volskiy said.

With growing frequency the government itself is reverting to the use of strictly command administrative methods. Restoration of the bureaucracy is taking place along with the omnipotence of the apparatus instead of state regulation of the economy which is objectively necessary at the current stage.

Arkadiy Volskiy advised elaborators of the "new course" to learn from the times of Roosevelt and utilize the experience gained by the Union of Industrialists and Merchants led by Ryabushinskiy, which existed in Russia before the revolution.

The Union of Industrialists and Entrepreneurs of St. Petersburg has been working for almost five years and today has 81 members, 30 of whom joined the Union last year.

The heads of both unions believe that the situation in the economy is very difficult but not hopeless. There is a glimmer of an upturn. But in order for a major improvement to occur it is necessary to systematically implement a system of measures to bring the country's economy out of a state of crisis.

Arkadiy Volskiy designated the main positions of the system worked out by the Union. They include a revival of industrial production of Russia on the basis of a mixed economy and the utilization of advanced technological processes. For that purpose it is necessary to have a law on the restoration of national industry and a law on the state market of goods and services, as well as elimination of the varying directions followed in the operation of the credit—monetary, budget—tax systems and the price mechanisms.

Restoration of the country's domestic market is mandatory.

Competing imports must not exceed 15 percent of domestic output of goods similar to imports. Today, however, 40 percent of the retail trade turnover is satisfied with imports, while in 1991 that index was 14 percent. Intensification of the struggle against corruption, particularly at the upper echelons of power is needed. For that purpose it is necessary to adopt a law similar to the one adopted by Roosevelt called the law on honesty. Exceptional significance is attached by the union to realization of proposals submitted to the president and the Government of the Russian Federation on the creation of the federal state contract system of the Russian Federation and the state market of goods and services.

Arkadiy Volskiy recalled that the Russian Union sees its most important task to be promotion of an upturn in the economy of St. Petersburg. The production of vessels at the Almaz Scientific Production Association with the involvement of a number of firms from France, Greece, and the Netherlands, is now among the completed projects. Work on the creation of the Kronshtadt Free Economic Zone is nearing completion with participation of the Russian Union and the involvement of domestic and foreign investors in that zone.

The meeting of the Union of Industrialists and Entrepreneurs of St. Petersburg called for initiation of serious steps in support of domestic commodity producers by regional and federal authorities.

Oil Export Duty Exemption Erodes Budget Revenue Base

MK0303074595 Moscow SEGODNYA in Russian 3 Mar 95 p 1

[Report by Rustam Narzikulov under the "Preferences" rubric: "Seven Oil Joint Ventures Exempted from Export Duties. Government Voluntarily Gives Up $52 Million"]

[FBIS Translated Text] Viktor Chernomyrdin has signed a government decree fully exempting seven joint ventures with foreign investment—Tatoilgas, Tatex, Tatoilpetro, Geoilbent, Nobel Oil, Komikvest, and Mekamineft—from customs duties on oil exports from Russia. The first six companies were given the preferences for whole of 1995, Mekamineft for six months.

The companies' annual oil production stands at approximately 2 million tonnes, so if the entire production volume ends up being exported the budget revenue may be $52 million short (with the current export tariff of ECU23 per tonne).

The companies listed in the document supply oil primarily to East Europe. Tatoilgas, Tatex, and Tatoilpetro export oil to East Germany; Geoilbent to Poland, the Czech Republic, and Slovakia; Komikvest to Poland and East Germany; Nobel Oil to East Germany, the Czech Republic, Slovakia, Hungary, and Yugoslavia. Mekamineft is one of the largest exporters of Russian oil to the Czech Republic and Slovakia, being ahead of such companies as YUKOS, Balkar Trading, and Mashinoimport in terms of deliveries to these countries.

The government decree says that the preferences for the joint ventures apply only to the oil they themselves produce. This puts in their way a strong temptation to "bring up" the companies' exports to their gross oil output and also drastically to increase their own production. The latter applies particularly to Nobel Oil, whose

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oil exports, for instance, in July 1994 exceeded its own production more than five-fold.

It would be interesting, of course, to learn the motives of the government's interdepartmental commission, which recommended to the prime minister that preferences be given to these seven companies. But it will be just as interesting to hear future arguments of the Cabinet of Ministers justifying the reduction of the federal budget revenue. Citing the budget's loose tax base would evidently be very hard to do after handing out customs presents.

Property Fund Forum Details Privatization Plans

MK0403110095 Moscow SEGODNYA in Russian 4 Mar 95 p 2

[Report by Aleksandr Bekker under the "Prospects" rubric: "Russian Enterprises Ready To Be Sold. Foreign Investors Fearful of Unique Russian Accounting"]

[FBIS Translated Text] The Federal Property Fund [FPF] of the Russian Federation has laid its cards on the table: Yesterday, at the "Balchug" hotel, it unveiled a list of more than 100 of Russia's largest enterprises whose shares will be offered for tenders and auctions this year. Alfred Kokh, deputy chairman of the State Property Committee [SPC], said that the timetable for selling blocks of shares in privatized enterprises, featuring specific dates and competition procedures, will be made public by 1 April. The accelerated pace of privatization is attributable to the fact that agencies subordinate to Mr. Chubays have partially overcome "the Polevanov syndrome" and distributed roles in the process of privatization. There are also weighty material reasons for this: The federal budget revenue item envisioning privatization proceeds of 9.1 trillion rubles does not leave much time for dilly-dallying. On the other hand, most enterprises are currently in such a state that their hopes for a better future are being pinned exclusively on outside investment.

The presentation at the "Balchug" actually amounted to a call on all potential buyers to start surveying the Russian industrial elite in advance, to make inquiries about enterprises, and to take careful aim. Evidently, the Russian legal framework is just beginning to catch up with international standards, while enterprises, as FPF Chairman Vladimir Sokolov put it, "have no idea about the desirable recipient." For this reason, chiefs of government agencies who attended the meeting, first, reaffirmed the unchanging course toward "privatization of the entire country" and, second, told in the greatest possible detail about what is being done to civilize the domestic stock market.

Petr Mostovoy, SPC first deputy chairman, said that the Civil Code, which went into force 1 January, rehabilitated property rights. At the same time, vital laws on securities and joint-stock companies necessary to protect shareholders' interests are passing through the State Duma very slowly. In addition, a new version of the law on the insolvency (bankruptcy) of enterprises is being drawn up. A favorable legal framework is also a sine qua non for operations on the secondary stock market. The state is as interested as issuers and brokers in this emerging since it is an active seller on the stock market.

While trying energetically to develop the market for privatized enterprises, the state cannot render it transparent overnight. Business plans and accounting documents differ so much from the standards to which Western business has become accustomed that making investment is tantamount to buying a pig in a poke. This takes a great deal of courage. Investors also feel somewhat uneasy about the price of their purchase, finding it hard to check out whether they have paid too much or too little. Dmitriy Vasilyev, deputy chairman of the Securities Commission, said that these problems are currently being dealt with in cooperation with a number of foreign consulting companies, such as Morgan Stanley. He also emphasized that one of the most controversial matters—the drawing up of rules for registering shares upon purchase—would be resolved within the next two or three months. Problems relating to depositary and clearing services will also be tackled and mechanisms for merging exchanges and nonexchange entities (for instance, the Vladivostok Stock Exchange link with NASDAQ) will emerge.

Making good the SPC's plans for briefing investors on investment tenders and cash auctions in advance, Mr. Kokh said that the sale of such holdings as Rosstankoinstrument and also 50 timber holdings will start this year. Some 30 percent of these shares are due to be sold by tender, while the remaining 70 percent will be auctioned to strike a balance between the state budget's fiscal interests and the enterprises' investment requirements. In the view of the SPC deputy chief, selling the state-owned shares in defense industry enterprises would make no sense at all, because this would not generate much money, while selling them at give-away prices would be just stupid. While the privatization of railroads has so far been postponed, Mr. Kokh thinks that the strategy with regard to sea and river steamship companies should be adjusted so as to start selling federally owned blocks of shares. "We should adopt a tougher stance with regard to sector ministries," he said. "The Transport Ministry cannot offer any coherent policy."

Participants in the "Balchug" meeting pointed out that owing to the absence of a Land Code and the suspension of Article 17 of the Civil Code regulating land relations, the country has to make do without land legislation. The only thing that prevents complete paralysis is that the relevant presidential edict allows the sale of urban land to privatized enterprises. Just two days ago the Agrarians themselves urged the State Duma at the congress of the Russian Private Farms Association [AKKOR] to lift the ban on Article 17 of the Civil Code.

Finally, the speakers expressed their serious intention to set up mutual and trust funds to be modeled on similar

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U.S. funds to encourage people to invest their private savings in enterprises. Such private savings were estimated at $10 billion.

Hard Currency Earnings Will Develop Energy Sector

MM0603100695 Moscow RABOCHAYA TRIBUNA in Russian 3 Mar 95 p 4

[Unattributed report: "Proceeds Will Help Out!"—from the 'Industrial Gazette' section]

[FBIS Translated Text] Problems of investments in Russia's fuel and energy complex can be resolved partly with funds from exports of oil, gas, and coal. In a forecast that has been prepared for the sector's socioeconomic development in 1995 the Russian Federation Ministry of Fuel and Energy has proposed selling for export approximately 10 million tonnes of petroleum and petroleum products, approximately 20 billion cubic meters of natural gas, 10 million tonnes of coking coal, and 1.5 billion kilowatts of electricity, with the currency proceeds being channeled into funding the construction and modernization of the most important projects in the complex.

Commentary Lauds State Price Regulation Edict

MM0603104795 Moscow ROSSIYSKAYA GAZETA in Russian 4 Mar 95 First Edition p 1

["Commentary" by Maksim Zarezin on edict of the Russian Federation President "On Measures To Streamline State Regulation of Prices (Tariffs)"]

[FBIS Translated Text] The edict of the Russian Federation President "On measures to streamline state regulation of prices (tariffs)" is not about a return to administrative control over prices. On the contrary. Practice has shown that the authorities in the regions often make bad rather than good use of the price administration rights they were given: The administrative steamroller hit the producers whose prices were artificially lowered, so there was no point producing those particular products and markup restrictions meant that it was unprofitable to trade. The purchasers themselves did not benefit either, since the commodity either vanished or sometimes, paradoxically, owing to various contrivances, became more expensive. In 1994, on average, the rates of increase of free and controlled prices approximately coincided.

The new edict creates a list of products which will have their prices regulated by the state in the shape of federal organs and local authorities. And this will affect the products of natural monopolies—structures which do not have rivals in the market, not because of a breach of the laws of competition, but because of the specific technical nature of the sector—energy industry, transport services, communications. Production of defense products and precious metals and alloys remains the state's prerogative. Trade markups on medicines and medical equipment, and municipal service will be regulated.

A total of 15 per[illegible] of the GDP will now be distributed at regulated pric[illegible]. But you must remember that the cost of electricity, transport, and municipal services is included in the cost of practically all goods, so the state still has a means of influencing the price situation.

Short-Term Bond Sales Unlikely To Help Budget

MM0603100995 Moscow IZVESTIYA in Russian 3 Mar 95 p 2

[Report by Ivan Zhagel: "It Will Be Very Hard To Plug the Hole in the Budget with State Bonds"]

[FBIS Translated Text] The latest short-term state bond auctions were held last Wednesday [1 March], providing considerable food for thought as to how realistic the country's budget, which has just been given its third reading by the State Duma, is.

Let me remind you that the government is intending to plug a budget gap of around 31 trillion rubles [R] by selling short-term state bonds. The results of the last few auctions seem to illustrate that the task is quite feasible: Three-month bonds worth R2.2 trillion were put up for sale and they were virtually all sold since the initial demand totaled over R3.5 trillion.

However, needless to say, not all this money will enter the budget, only around 20 percent of it. The remaining 80 percent will now be spent on the redemption of previous bond issues. Thus, as the Finance Ministry said, in January and February this year the budget received just over R2 trillion from sales of short-term state bonds but it should over the year, I would remind you, collect R31 trillion.

The situation is also being aggravated by the fact that in March and April it will be necessary to spend far more than usual on the redemption of previous issues since, toward the end of last year, the Finance Ministry deliberately overstated bond profitability in order to divert money from the money market and eliminate the consequences of "Black Tuesday."

However, B. Zlatkis, chief of the Finance Ministry Securities Department, believes that at the moment they are sticking to their plans although on the other hand she complained that the state bond market is very sensitive to any political events. And it will be toward the end of the year, when sales of short-term state bonds will have to be increased several times over, that parliamentary elections will come along with all the attendant consequences.

*Future of 'Ostankino' Public Television Debated

954F1584A Moscow KOMMERSANT-DAILY in Russian 24 Feb 95 p 10

[Article by Nataliya Osipova, K-D correspondent: "In Passing into the Hands of the Shareholders, 'Ostankino' Will At Last Become a Truly State Channel"]

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[FBIS Translated Text] **A meeting of the shareholders of Russian Public Television (ORT) should be held at the end of the week. It will hardly shed light on the changes awaiting "Ostankino." The details are kept in strict secrecy. The data available to K-D, however, permit us to make certain predictions about the content of the expected reforms. As soon as the official decision is made public, the readers themselves will be able to judge how justified these proposals are. Nataliya Osipova, K-D correspondent, comments.**

Look Who Has Arrived

Everyone acknowledged the need to make the Ostankino Channel 1 a joint stock company. It was hard to believe that this would be accomplished, though, it was much easier to believe that the president would combine the two channels into one—granted all the obvious foolishness of this step, it was still a possible variant. The interests of the structures already existing on TV would then be affected to a much lesser extent. As was to be expected, however, rumors of the combining remained only rumors, and on 30 November, the president signed an edict on founding the ORT Joint Stock Company, in which the controlling bundle of shares (51 percent) would belong to the state. According to Aleksandr Yakovlev, Inkombank and the Menatep, Stolichnyy and Roskredit banks were also among the stockholders at that time, as well as Aeroflot—Russian International Aviation, ITAR-TASS, AvtoVAZ and Teletsentr. The composition of the shareholders has now changed—Inkombank has disappeared from the list, but on the other hand, Gazprom has appeared.

The Inkombank representative explained that "the bank was temporarily refraining from making a final decision on taking part in making Ostankino a joint stock company." The main reason for this: the company had not presented Inkombank with either a business-plan or a concept for the broadcasting by the deadline, set in advance, which expired in the first half of February. Negotiations on participation in forming the joint stock company were conducted as far back as last year, and inquiries were made about the figures at that time. The bank would have liked greater elaboration on what it was supposed to spend its funds on.

The new Russian Public Television Company should have begun broadcasting on 1 February. The process of setting it up has dragged on, however, and the first appointment took place only in January. At that time, the name of the ORT general director—Vladislav Listyev—was made known.

The State Wants To Control Television, but Does Not Want To Pay for Everything

The problem of financing two state television channels has long been a painful one, and has not been solved in principle—under the conditions of the monopolistic rise in prices for the services of the Ministry of Communications, the budget could not stand the expenses to pay for the signal (the basic part of a television company's expenses). Even this, though, was not the main thing—in the end, the government would have obliged the Ministry of Communications to serve the television company.

It was impossible to put up with the quality of the Ostankino programs any longer. At the threshold of the elections, the professional concerns of the television producers about ratings and program quality also became the concerns of the government—what television viewer will watch a channel that is politicized and at the same time supersaturated with advertising, when a choice has appeared for him—more for the viewer in the capital, less for the viewer in the provinces? Although the "prime-time" ratings for Ostankino have remained stable (in many cities, for example, the ratings of the Ostankino information programs outstrip the ratings of the "Segodnya" [Today] program), after 2140 hours, Channel 1 did not keep its viewing audience. Ostankino's evening air time, instead of films, broadcasts programs which explain the government's point of view—"Iz pervykh ruk" [First Hand], "Za kremlevskoy stenoy" [Behind the Kremlin Walls], "Nota Bene."

This is precisely why the process was long and complicated. The initial composition of founders and shareholders did not suit everyone. It took a long time to convince Viktor Chernomyrdin that making Channel 1 a joint stock company would not conflict with state interests. One of the weighty arguments in favor of making it a joint stock company was that the budgetary expenditures for Channel 1 would not increase.

State interests in Channel 1 were soundly protected—the chairman of the Board of Trustees was Boris Yeltsin, and the Council included—Vladimir Shumeyko, Ivan Rybkin and Anatoliy Chubays. The Board of Directors included Aleksandr Yakovlev, Valeriy Gorokhov (director of the Television Technical Center), Vitaliy Ignatenko (head of ITAR-TASS), and Shamil Tarpishchev, president of the National Athletic Fund. It is obvious that the high state officials would not engage directly in reforming the channel. Nevertheless, we know that Goskomimushchestvo took part in the work, and not just as the formal holder of the state bundle of shares. Press-secretary Anatoliy Chubays and his agent, Arkadiy Yevstafyev, are among the important personages on the Board of Directors.

The Producers Replace the Officials and Vice-Versa

It is obvious that, in order to carry out such a grandiose plan, the vectors of the various forces in operation had to coincide. But who should come forth as the initiator. Appearing on the list of shareholders is the Association of Independent Television Companies, which includes the VID, ATV, Ren-TV, AMIK (KVN) companies of Aleksandr Maslyakov, Igra of Vladimir Voroshilov and Yuniks of Yuriy Nikolayev, and will also include ANT in the near future. ANT is quite a formal structure, set up so that, at a certain stage, the interests of independent

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television companies would be defended by joint efforts. The three most powerful companies—VID, ATV and Ren-TV—have the strongest positions on Ostankino Channel 1, and it is natural that those initiating the forming of the joint stock company come from among them. In television circles they say that there is one person without whom none of this could take place, or else would take place in a different form and at a different time. This person is Iren Lisnevskaya, president of the Ren-TV Television Company—a director and a producer, one of the most powerful figures in the present ORT.

In 1993, the Ren-TV Company made a broadcast of Eldar Ryazanov with the president, and an interview with Naina Yeltsin, "A Day with the President's Family," which aired on the eve of the referendum. They say that the interview with the president was made possible because one of the company's employees had gone to school with Vyacheslav Kostikov. After such a successful project, Lisnevskaya formed good relations with the presidential milieu.

Good relations are a useful thing. It goes without saying, the composition of the shareholders—commercial structures—was in many ways determined by them. For example, the friendship between Khodorkovskiy and Chubays is often mentioned in connection with Menatep's participation in forming the joint stock company. LogoVAZ, which has a bundle of shares in the ORT AO, exerted an influence on the choice of the candidate for general director of ORT. The implementation of this project is to a great extent the contribution of Boris Berezovskiy. He is the one who succeeded in doing something almost impossible—uniting the interests of commercial structures competing among themselves and having different political orientations.

According to some information, the basic requirement for candidacy was the ban on combining activity in ORT with activity in commercial companies. A candidate could not be elected from among former Ostankino directors. It is assumed that the formation of the board of directors will be completed by the end of the week.

We know that a different candidate, who also fixed Listyev up as president of VID, was planned for the position of ORT director. At the very last minute, however, everything changed, and Listyev nevertheless occupied the main Ostankino chair, incessantly repeating that he did not want this. All the creative work is now within the sphere of his activity, and Aleksandr Yakovlev (who now holds three posts at once—chairman of the Federal Radio-Television Broadcasting Service, chairman of the Ostankino Radio-Television Company and chairman of the Board of Directors of ORT), to all appearances, is left to liaise with state structures and determine the political line. A generation of producers has come to replace the generation of officials.

The Quality of the Programs Exceeds Their Quantity

The first problem which the channel's directors intend to solve is raising the quality of the programs. Broadcasts will be chosen only on the basis of ratings. New programs will be considered only at the pilot stage—a project will not be considered or accepted. Considering the fact that the channel intends to broadcast 24 hours a day, however, it will be difficult to find the necessary number of high-quality programs.

The contract system will be general—judging by the fact that the general director himself concluded a contract with ORT for a year. Many of the channel's staff members, therefore, have grounds for worrying—Ostankino is persistently talking about a 50-percent cutback. This is quite a sensible step, since Ostankino's own studios now "cover" only 10-15 percent of the broadcasts, and all the rest are produced by independent television companies. There are studios at Ostankino where two hundred people are working, producing an hour of programming a week. If the cutback takes place, however, it will take place gradually. After all, among the channel's new management, the majority of them undoubtedly belong, not to the revolutionaries, but to the evolutionists—who are, strictly speaking, also capable only of organizing a revolution.

Information Will Be Independent—For a Whole Year

Information broadcasting will be the ORT priority—the company is planning to produce information programs independently, and all the rest will be purchased. Budget money will go to support the work of the information programs.

The structure of ITA so far remains unchanged, since it is impossible to create a new information editorial office in a couple of months. It goes without saying, the influence of presidential circles on the information programs can hardly be avoided—although the top directors have promised not to interfere in the work of the ORT for a year. The commercial structures will also be deprived of the opportunity of influencing the content of the information programs. The only concession to it is the appearance of a political information program on Ren-TV, "Versii" [Versions]. Sergey Dorenko, who formerly ran "Podrobnosti" [Details] for RTV, will carry out his new project, "Versii" on Channel 1. These are not "details," however, and especially, not "results," but only "versions."

In explaining why commercial structures will not be able to have any noticeable influence on information broadcasting, the ORT management assures us that, if private capital tries to set the tone, the president and the Duma will shut down the channel. Which, incidentally, the enterprise cannot regard as advantageous right now, since the yield will be noticeable only after several years. After all, investments in equipment alone, not counting other expenditures, will have to be tremendous. Therefore, with no possibility of influencing the political trend of the programs, commercial structures which have invested money in ORT are, for the time being, working only for the future.

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The Packaging Will Change in a Major Way

The character of the channel—what we call the "cover"—must change. Vladislav Listyev insists on this: ORT will come out with a unified style, for example, like NTV. They say that the concept of the ORT company's style was worked out by Andrey Voznesenskiy, and the famous director Yuriy Grymov will take on the visual embodiment of this style.

What It Expects from Outsiders, That Is, the Viewers

According to the preliminary plan for the broadcasting network, the program, "S dobrym utrom" [Good Morning] will occupy the morning hours for the entire week. The network plans to show programs during the daytime hours about national creativity, documentary serials, re-runs of the best programs of the preceding evening, programs for "socially unprotected strata of the population," sports programs, news and movies. Sports broadcasts and movies will also be priority for ORT. In "prime-time" they plan to show Vladislav Listyev's program, "Chas pik" [Rush Hour] (Monday through Thursday), on Friday—the program, "Kross-fayr" [Crossfire] (cross-questioning interviews) and on Saturday, at approximately this time—a feature film. On Sunday, "Bomond" [Beau Monde], a KVN or a comedy film will air. Every week-night ORT plans to show television serials. The program "Vremya" [Time] (at 2100) will appear in strict 40-minute format (like the CNN news programs). To finish the evening, it will air high-quality movies or an evening serial. At the end of the film—the program, "Versii," which will have no strict airing time—the only exception on the network. On Mondays, it is possible that the program "My" [We] of Vladimir Pozner and "Press-klub" may remain, as well as current affairs commentator programs or programs on the theater. On Saturdays, ORT intends to show Konstantin Ernst's "Matador," (on one of the Saturdays), "Do i posle" [Before and After] or "Adamovo yabloko" [Adam's Apple]. After midnight, "nighttime," entertaining and experimental programs will air. Almost certainly, a few programs from other channels will also pass to Channel 1.

Some Independents Have Not Won, Others Are Losing

It would appear that the independent television companies participating in ORT have undoubtedly won. In ORT, Iren Lisnevskaya represents the Association of Independent Television Companies (ANT), Vladislav Listyev is the general director of ORT. The situation is somewhat more complicated, though. Television companies now are not simply producers—they are founders of broadcasting companies. Consequently, in the first place, they should bear the expenses for maintaining the channel, and in the second place—keep track of the profitability of the production: now, in order for ORT to purchase a program, it must be sold more cheaply than before, or even almost at cost. In the third place, if ORT does not buy a broadcast, certain projects will have to be shut down. We also know that the ANT participants had to take off up to 30 percent of its programs which had not ended up on the ORT network. Independent television companies have therefore also failed to avoid financial-organizational difficulties. In this situation, we may expect the rapid start of natural selection.

The Ostankino Studios also Expect Reforms Which Will Hardly Save Them

Some of them will be turned into joint stock companies. The studio staff members will probably become participants in the joint stock company activity—but this prospect bewilders many of them. This is not an idle question—what can form a joint stock company in a studio where even the chairs and rooms belong to Teletsentr.

Reforms have already begun—by an order of Aleksandr Yakovlev, of 6 January 1995, the studio for movie programs and the studio for literary-dramatic programs were merged into one and called the "Iskusstvo" [Art] studio. Actually, this means that the movie program studio no longer exists. Some film cycles ("Aktery i sudby" [Actors and Fate], "Vek kino" [A Century of Film], "Zovu Zhivykh" [I Call the Living] and "Kinopravda" [Film Truth]) and the showing of Russian serials have moved under the jurisdiction of the "Iskusstvo" studio, and ORT handles the main film showings. The company intends to overcome the main shortcomings of the Ostankino film showings—poor quality and irregularity of the transmission.

Midkhat Shilov (former director of the studio for literary-dramatic programs), director of the "Iskusstvo" studio, feels that the priority will go to domestic cinematography. It is possible that a quota system will be introduced, as in European countries, when national cinematography occupies from 55 to 70 percent of the showings. The network also confirms this—from Monday through Friday, after midday, it will air "Zal filmov otechestvennykh kinostudiy" [Hall of Films from Domestic Film Studios]. Certain programs on films, for example, "Kinopanorama," over which there was a keen battle, pro and con, have also gone to "Iskusstvo." The "Iskusstvo" studio, having now become a producer of programs, intends to sell them not only to ORT, but also to NTV and TV-6. Programs on theater, literature and fine arts will remain under the jurisdiction of the studio. This means that the programs will hardly change qualitatively. Although ORT, of course, retains the right to choose programs on the basis of their own criteria.

So then. There are obviously two incentives for change—the impossibility of using the present Ostankino as a full-valued political weapon and the economic imperfection: the former system of distributing expenditures and

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profits did not suit a lot of people and needed to be put in order. No global reorganization occurred, however. They managed to find a compromise between the interests of the program producers and the interests of the viewers. The first channel will probably combine the features of CBS and the BBC—theatrical productions and films, combined with politically correct news. At one of the meetings, Iren Lisnevskaya called on those who had left Channel 1 because of organizational imperfection and creative discord to return. This above all pertains to professionals for whom the good times may finally be coming.

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International Affairs

USN Ship Completes 'Goodwill' Visit

MM0303160995 Moscow TRUD in Russian 3 Mar 95 p 3

[UKRINFORM-TASS report from the "Panorama of the Week" column: "Ponce as Peace Envoy"]

[FBIS Translated Text] The U.S. Navy amphibious warfare ship Ponce has slipped away from its moorings in Odessa harbor. Odessa was the Ponce's final port of call on its friendly visit to Ukraine. "It was a goodwill visit," the ship's commander, Captain Leon Mahoney said. "It formed part of the Partnership for Peace program and will certainly help strengthen friendly ties between our countries' armed forces, navies, and peoples. During meetings with our counterparts in the Ukrainian Navy we agreed on a small number of joint exercises, which will be carried out this summer."

During their week-long visit to Ukraine the American sailors saw the sights of Odessa, visited its museums and theaters, and took part in sports contests. In turn, more than 10,000 inhabitants of Odessa were guests aboard the ship and familiarized themselves with its weapons and the sailors' way of life.

Russian Sailors Strip Black Sea Bases Bare

MK0403083095 Moscow SEGODNYA in Russian 4 Mar 95 p 3

[Report from Sevastopol by Viktor Yadukha under the "Resistance" rubric: "Russian Sailors Take Everything But the Kitchen Sink as They Leave the Black Sea Fleet. Vacated Posts Are Virtually Destroyed"]

[FBIS Translated Text] The joint Russian-Ukrainian decisions on turning Black Sea Fleet facilities over to the Ukrainian Navy, which were made in Kiev, have drawn an extremely negative reaction from Russian sailors. This is only understandable: Officers of Russian units, scattered all over the northeastern Black Sea coast in Ochakov, Izmail, Donuzlav, Sevastopol, Kerch, and Feodosiya—are being forced to abandon not simply "facilities," but a duty station, housing, a military career. In wartime, before the occupation, departing units removed from cities to be left everything that could directly or indirectly help the enemy boost its battleworthiness. For all the monstrosity of this comparison, something similar is currently going on in the Black Sea: Driven by despair and the inability to change the decision of politicians, Russian sailors, who do not know what the future holds in store for their families, follow the principle of "nothing should be left to the enemy" and take everything but the kitchen sink with them. Moscow is turning a blind eye.

After most charges of embezzling Black Sea Fleet property were legally dismissed (the military prosecutor's office deemed them to be groundless), the Ukrainian side also had to concede that there is a different name for developments under way at naval facilities being vacated. Captain First Rank Gonchar, chief of the Ukrainian Navy's radiotechnical service, calls this "Luddism." It was recalled that back in 1992, when the Black Sea Fleet first began to be split, Russian special-purpose unit servicemen also left their units on the island of Zmeinyy and the spit of Tendrovskaya in a similar state: They cut cable routings, destroyed housing space, and so forth. According to Mr. Gonchar, his subordinates saw a similar picture at Balaklava, from which the last Russian servicemen are departing. UHF radio communications equipment, the trip flare system, and telephone communications were dismantled at the roadstead surveillance and communications station. The entry into the bay is now kept under surveillance without any automatic equipment, in an old-fashioned way: in the daytime, with the help of binoculars; at night, by ship lights. As many other facilities, the station has been effectively eliminated, and the new owners will have to rebuild everything.

Recently, Ukrainian Defense Minister Valeriy Shmarov has reached agreement with Admiral Eduard Baltin, Black Sea Fleet commander, on halting the removal of military and other property from territories of Black Sea Fleet units.

But these decisions are unlikely to tackle so acute a problem. Things have gone so far that the naval hospital of the Russian Black Sea Fleet, for instance, officially accepts Ukrainian sailors for treatment only if they pay money, and refuses to treat servicemen of the Ukrainian National Guard whatsoever. The national guardsmen, who are patrolling the streets of Sevastopol, take revenge on Black Sea Fleet sailors by resorting to all kinds of fault-finding. But no one at the fleet has any doubts that had it been a Ukrainian hospital, it would have treated Russian servicemen precisely the same way.

Aerospace Specialists Hold Cooperation Talks

AU0303194095 Kiev HOLOS UKRAYINY in Ukrainian 2 Mar 95 p 1

[Unattributed report: "Our Space Port in Manitoba?"]

[FBIS Translated Text] Outlooks for Ukrainian-Canadian cooperation in the sphere of using Ukrainian "Tsyklon," "Zenit," and SS-24 missiles and also An-70 and An-225 aircraft were discussed during the visit to Canada by a delegation of specialists from the Ukrainian Aerospace Complex.

As the INTERFAX-UKRAYINA agency was told at the press center of Ukraine's Ministry of Foreign Affairs, the question of signing a cooperation agreement between the Canadian National Space Agency and the Institute for Aerospace Studies was coordinated during the visit.

Members of the Ukrainian delegation took part in an international conference on problems of communications and information lines.

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They discussed prospects for joint development of communication satellites and means of telecommunication, as well as Ukraine's possible participation in the project for creating a polar universal space port in northern Manitoba.

Lack of Funds Main Hurdle to Membership in OECD

LD0303193095 Kiev UNIAN in Ukrainian 1625 GMT 3 Mar 95

[FBIS Translated Text] Kiev—The lack of money to pay membership contributions is the main hurdle to Ukraine's accession to the Organization for Economic Cooperation and Development (OECD), Oleh Popov, an aide to the Ukrainian president for external economic affairs, said in an interview with UNIAN on 3 March.

UNIAN has already reported that a Ukrainian delegation participated in a meeting in Paris of the OECD committee for investments and joint ventures on 1-2 March. The delegation included Valeriy Cherep, chairman of the Supreme Council of Ukraine committee for basic industries and regional socioeconomic development; Ihor Podolev, deputy external economic relations minister; and Popov.

The Ukrainian delegation member held talks with the experts from Germany, France, Great Britain, Japan, Holland, and Turkey on a draft foreign investment law.

Proposals by foreign experts will be taken into consideration in the process of this law's finalization, which, in its turn, will be conducive to its conformity to international standards, Popov said.

Masol, National Bank Chairman Letter Seeks IMF Loan

LD0303183195 Kiev UNIAN in Ukrainian 1625 GMT 3 Mar 95

[FBIS Translated Text] Kiev—Ukrainian Prime Minister Vitaliy Masol and National Bank of Ukraine Board Chairman Viktor Yushchenko signed a letter today asking the IMF for a $1.492 billion stand-by loan for Ukraine, Ukrainian Deputy Prime Minister Ihor Mityukov told a news conference at the Cabinet of Ministers on 3 March. The loan can be made available in 1995-96.

The fund's Board of Executive Directors will view the letter of appeal by the government in a few weeks' time, Graham Justice, IMF senior permanent representative in Ukraine, said. It is expected that the second $370 million half of the Systemic Transformation Facility will also come to Ukraine at the same time as a decision is made on the provision of the stand-by loan.

Aleks Sundakov [untraced], an IMF representative, told the news conference the fund's experts were satisfied with the realistically formed implementable budget.

Michel Camdessus, the IMF managing director, received a request today from the Ukraine Government for the stand-by loan, and he will arrive in Kiev next week to demonstrate personally his support for the course toward reform in Ukraine, Graham Justice said.

The finance ministers of the European states, Japan, the United States and Canada will today receive an official notification about the letter of application by Ukraine to the IMF, Ukrainian Deputy Prime Minister Ihor Mityukov said. Ukraine's total requirement for finances is over $5 billion.

In an IMF press release, Michel Camdessus said he is certain the fund's executive board will accept Ukraine's application, in which case, according to Graham Justice, the stand-by loan's first tranche would be in Ukraine at the beginning of April.

National Affairs

Speedy Reform Predicted After Premier's Resignation

LD0403180395 Kiev UNIAN in Ukrainian 1650 GMT 4 Mar 95

[FBIS Translated Text] Vinnitsa Oblast [no date as received]—"Vitaliy Masol is on leave," Ukrainian President Leonid Kuchma said in reply to journalists' questions about the prime minister's decision to resign. According to Kuchma, this decision is yet to be approved by the Supreme Council of Ukraine. "I link the replacement of the head of government with the acceleration of reforms in all aspects of Ukraine's economy," he said.

The president warned that the state would be unable to provide all agricultural businesses with lubricants, fuel and spare parts. He stressed the countryside could not survive without credits. "This is why the credit policy is part of the government's action plan," Kuchma said. "We will not be able to do without emission because of the budget deficit, which can be covered only by the National Bank emission credit."

The president also said that agricultural needs would be met with the help of loans from international financial organizations. He expressed confidence that "the green shoots of economic stabilization" would appear in Ukraine this year. "I say this because we virtually already have world prices for raw materials in industry, and company managers have started working on competitive terms. And that's the main thing."

Kuchma is convinced that the future of Ukraine's legislative power lies in a bicameral parliament. "Many positive decisions can be made if they take into account the opinion of regional governors who will make up one of the chambers," he said.

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Kuchma Appoints Marchuk Acting Prime Minister

LD0303195995 Kiev UNIAN in Ukrainian 1840 GMT 3 Mar 95

[FBIS Translated Text] Kiev—Ukrainian President Leonid Kuchma has signed an edict appointing First Deputy Prime Minister Yevhen Marchuk to act as the prime minister of Ukraine for the duration of Vitaliy Masol's leave. The edict is effective from the date of its signing.

Masol Explains Resignation to Newsmen

LD0403172995 Moscow INTERFAX in English 1633 GMT 4 Mar 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] Kiev, Mar 4 (INTERFAX-UKRAINE)—Ukraine's outgoing Prime Minister Vitaliy Masol told newsmen in Kiev that he had resigned because his Cabinet was called to play an ambiguous role in national life.

Masol accused the Ukrainian Supreme Soviet of "legalizing structures that moved to do the government's job" by rejecting the bill on the National Cabinet. He said that it was "very difficult to work now that the National Bank made one kind of decisions, the president's men another, while the Cabinet attempted to carry out policies of its own."

Nonetheless, his Cabinet scored several victories, Masol said refering to the promotion of relations with the other Commonwealth republics, the conclusion of a "zero option" agreement with Russia and moves to meet the national demand for grain and bread products. In addition, his Cabinet "has all but written an end to the power production crisis," Masol said.

Masol saw delayed payments and the businesses' failure to raise working capital as Ukraine's most pressing unresolved problem which would keep plaguing the national economy throughout 1995. Only a new credit emission could offer a solution to that problem, he said.

In Masol's view, the government "made several mistakes" in the field of price policies and failed to accelerate the pace of the Ukrainian economic reform.

As regards his future plans, Masol said he would take action in the capacity of a member of the Ukrainian Parliament.

Masol Calls For Elimination of Prime Minister Post

LD0403181095 Kiev UNIAN in Ukrainian 1650 GMT 4 Mar 95

[FBIS Translated Text] Kiev [no date as received]—Vitaliy Masol gave the vague status of the post of Ukrainian prime minister as the main reason for his resignation at a meeting with journalists on 4 March.

In his view, "there is nothing sensational" in the resignation itself. According to him, it is "very difficult" for anyone to work in this post because there are several executive structures in the state which duplicate one another.

In Vitaliy Masol's opinion, two officials—the president and prime minister—cannot be responsible for the same field of work, that is, for the government.

Vitaliy Masol spoke in favor of eliminating the post of prime minister in a situation where the president subordinated the government to himself, as in August 1994.

The prime minister called on parliament to adopt Ukraine's constitution as quickly as possible, and not a "provisional" law on power. Vitaliy Masol expressed the conviction that Ukraine should be presented as a parliamentary republic in Ukraine's basic law.

According to Vitaliy Masol, he will not agree to work in the post of Ukrainian prime minister for a third time.

Kuchma Warns Communists 'Still Want to Rule'

LD0303204595 Moscow INTERFAX in English 1841 GMT 3 Mar 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] Kherson, Mar 3 (INTERFAX-UKRAINE)—Ukrainian President Leonid Kuchma has criticized a parliamentary veto on the presidential decree on financial-industrial groups.

"The executive power is launching proposals while the legislative power is only turning them down doing nothing else," Kuchma said during his visit to the Kherson Region (South Ukraine) today when commenting on the Ukrainian parliament's decision.

"I think that if the legislative power continues to work like that neither the state nor the people will benefit from this," he added.

Kuchma said that about 50 Russian and Ukrainian enterprises had created a financial-industrial group in the sphere of plane-building in Zaporozhye. He said the financial-industrial group could create new jobs.

"A struggle for power is underway. The Communists are so very unwilling to admit that they have lost over the 70 years," Kuchma said. He asked journalists if they could name a single man among former Communist bosses who was living poorly and had not found himself a place in the sun. Kuchma said the former Communist leaders were instigating deterioration of the situation because "they still want to rule."

Internal Conflicts Seen Aggravating Crisis

954F1541A Moscow NEZAVISIMAYA GAZETA in Russian 16 Feb 95 p 2

[Article by Vladimir Skachko: "The War of Everyone Against Everyone: Crisis of Authority Takes on New Forms"]

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[FBIS Translated Text] The session of the Ukrainian Supreme Council resumed work in Kiev on 14 February. Its work on the agenda for this day included an examination of the question on the recent dispute between the administration of President Leonid Kuchma and a group of people's deputies that, allegedly on the order of Dmitriy Tabachnik, chief of the president's administration, was not permitted into the meeting of the Committee for the Fight Against Organized Crime. The essence of this matter boiled down to the fact that the aforementioned committee examined the situation that developed around the Blasko joint-stock concern (former Black Sea Maritime Shipping Line), which was organized by the former and liquidated by the current president for various administrative and financial violations, but the deputy-members of the parliamentary commission who were engaged in a similar examination could not express their views personally to Leonid Kuchma. The parliamentarians, who were offended, raised the question sharply: Declare the existence of the president's administration unconstitutional and bring criminal charges against Dmitriy Tabachnik for violating the rights of the deputies. The administration answered in a similar fashion through Tabachnik: They said that the secretariat of parliament is also unconstitutional and, in addition, it is much greater in number than the administration.

All of this could have been viewed as the usual struggle of the ambitions of behind-the-scenes leaders who do not realize their responsibilities if it were not for the fact that it occurred against the background of a general crisis of higher authority in Ukraine, which more and more resembles a war of everyone against everyone. Not only is the confrontation of the executive and legislative branches of power in Ukraine today visible, but also the principal contradictions inside the power structures themselves, and also the contradictions of Kiev and the regions.

A lot has already been written regarding the clash of President Kuchma and parliament Speaker Moroz and associates; as previously, they are preparing for a decisive skirmish for full authority during the deputies' discussion of the law on authority, on which a parliamentary interparty conciliation commission is working. But for the time being the confrontation of the authorities has centered around the figure of Prime Minister Vitaliy Masol.

The difference in attitudes toward Masol in recent weeks split both the parliament and the government. The deputy-marketers are openly demanding either the resignation of the prime minister or the elimination of this position entirely, or giving it the status of first deputy president—chief of the executive authority. Deputies of the left want not the president but specifically a prime minister who is confirmed by parliament to form the government. Kuchma himself does not want to head the government directly, and wants only to form it at his discretion and to appoint "his own prime minister."

The delay in the adoption of the law on authority and the indefiniteness on this question have led to the fact that the government has turned out to be practically split on the prime minister and his associates and the team of deputy prime ministers appointed by Leonid Kuchma, who have in fact taken all the levers of authority from the prime minister.

For the very same reasons, and also because of the activity of the president's team, which was actively recruiting supporters of a market orientation among the deputies, a further split took shape in parliament. The president's team apparently succeeded in enlisting the support of some deputies and aiming their dissatisfaction over the absence of reforms in the direction of the leadership of parliament: the speaker, his two deputies, and the entire staff of the presidium. Last week the deputies from the national democrats, reformers, and centrists, who united, adopted a resolution on the work of the leadership of parliament, the result of which, in their opinion, should be rotation of the leading organs and resignation of the speaker. A collection of deputies' signatures is being conducted for the reelection of Speaker Aleksandr Moroz.

However, the unpredictability of the fight for power and the ambitions of individual leaders could also widen the split noted on the president's team itself, which consists of the Kiev and Dnepropetrovsk groups. They are headed, respectively, by Dmitriy Tabachnik, the present chief of administration, and Valeriy Pustovoytenko, a minister of the Cabinet of Ministers and the former mayor of Dnepropetrovsk. In the opinion of many observers in Kiev, it is on this contradiction, in addition to satisfaction for offended dignity, that the deputies were depending in organizing a brawl with the administration.

Naturally such confusion in the upper echelons of authority intensified the general muddle in the country, simultaneously strengthening the role of local leaders, for whose support Leonid Kuchma and Aleksandr Moroz openly fought. As a result of all these political games there was a significant drop in the effectiveness of the functioning of authority and management by everyone, and, first and foremost, a significant drop in the effectiveness of economic processes in the country. The most striking example of this is the untimely conduct by the local leaders of price liberalization, which, even without this, cost the impoverished Ukrainian treasury more than 20 trillion karbovantsy.

Kuchma Visits Three Oblasts

LD0403225595 Kiev Radio Ukraine World Service in Ukrainian 2000 gmt 4 Mar 95

[Passages contained within quotation marks are recorded]

[FBIS Translated Excerpt] [Announcer] The Ukrainian president's Council of the Regions met at the Lypivka corporation's base in Vinnitsa Oblast today with the

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participation of President Leonid Kuchma. May we remind you that prior to this the president had visited Kherson and Nikolayev oblasts and a number of rayons in Vinnitsa Oblast. We offer for your attention the reports by Radio Ukraine's regional correspondents from these oblasts:

[Unidentified correspondent] During a brief news conference at the airport, Leonid Kuchma noted that this year the southern region could become Ukraine's main granary. Although its grain harvest prospects (?are good), the government will do everything possible to help the breadgrain growers. Then the president visited the joint-stock company Khersonski Kombayny. Leonid Kuchma familiarized himself with preparations for the production of the first models of the Ukrainian grain combine Slavutych, and said that its qualitative features ought to be no worse than world models; only then can one talk about serial production.

Later, Leonid Kuchma visited the Soviet Land state farm in Beloozerskiy Rayon. He held frank conversations on farm field work problems at [words indistinct], and at the concern's works on ways to develop agriculture and resolve problems. When the political situation in Ukraine was discussed, Kuchma said:

[Kuchma] "There is a struggle for power. In no way do the communists want to accept that they have lost after 70 years. And tell me please, I would like to ask the mass media, name someone in Ukraine from the big party bosses, as they say, who does not live well now, or who has not got himself fixed up somewhere? Yes, the leaders on the whole. And they are stirring things up now because they (?still) want to lead from the top. They have already done their leading. I think that if the legislative authority is going to work in this way, then this is not to the benefit of the state, especially the people.

"Well, 50 Ukrainian and Russian enterprises have just set up an aircraft construction financial industrial group in Zaporozhye. Please tell me, what should be done now? This is work, jobs for all. But no, they will not." [sentence as heard]

[Correspondent] Leonid Danylovych of Ukrainian radio asked the president what he would wish the breadgrain growers of Ukraine's south at this busy and intense time.

[Kuchma] "Well, first, I understand that the financial difficulties (?should not be forgotten), but in general I wish them good weather, and the main thing, rain in May."

[Correspondent] Leonid Kuchma left for Nikolayev Oblast in the afternoon.

[Second unidentified correspondent] [Word indistinct] Leonid Kuchma came to Nikolayev Oblast. He was interested in knowing if the oblast is ready for spring field work, what are the harvest prospects? One should mention that they are not bad—[words indistinct] winter crops. This is over 400,000 hectares in a good and satisfactory condition. The president had the opportunity to be convinced of this himself. Immediately after a warm welcome at the border between the two oblasts, Kherson and Nikolayev oblasts, he arrived at the Shevchenko collective agricultural enterprise. He was pleased with the winter crop field at the Elite scientific research association. True, the field should immediately have more fertilizer, and then a yield of 70 quintals per hectare is guaranteed. But where can one get fertilizer and fuel? The rural workers put these and other questions to the president:

[Kuchma] "The state should help. From the point of view of mineral fertilizers and means for the protection of plants, and fuel, and so on. [Words indistinct] if it is fertilized, there will be at least 20 quintals more per hectare. And this is gold, this is currency."

[Second correspondent] Speaking about reforms in rural areas, Leonid Kuchma went on to observe that all of this is now objective reality:

[Kuchma] "At the level of, as they say, (?ordinary) employees, the main thing is that farm managers do not see another way. They say that on the contrary, reforms in rural areas should be carried out relatively more quickly. Truly, this should be done as a whole, an overall approach, [word indistinct] executive and legislative authorities." [passage omitted]

[Third unidentified correspondent] Preparations for spring field work and the reasons for the financial, material and technical difficulties were analyzed in some detail at the Council of the Regions session, which was conducted by President Leonid Kuchma. But most attention was concentrated on the search for realistic and efficient ways to get out of our difficult situation. [passage omitted]]

In the current situation, financial industrial groups could help rural areas somewhat, but, as is well known, the president's edict on setting them up was blocked by the Supreme Council, as were a number of other decisions on reforming agrarian relations. Leonid Kuchma observed in his concluding remarks that as long as political slogans, and not balanced economic decisions and actions predominate, there is no point in expecting positive progress in the economy.

[Kuchma] "If we truly do not understand this, if a constructive majority truly does not appear in the Supreme Council, which will be engaged in those matters, for which the Supreme Council has been summoned, then you and I have no future. I would like to ask all deputies and non-deputies—we all work with people, as they say—to continue expressing their opinions honestly and openly, honestly and openly. There should be economic grounds for (?every) decision, then everything will be all right, and not political slogans. The political slogan is the road to nowhere."

[Correspondent] The Ministry of Finance and Ukraine's National Bank have a special place in ensuring that

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spring field work is carried out. The Ukrainian president stressed in an interview with Ukrainian radio and television that whatever happens the agro-industrial complex should receive the necessary credits:

[Kuchma] "Especially as credit policy has been laid down in the government program, we will not manage without emission, because there is also a budget deficit, and it should be covered only by the National Bank's credit emissions. You saw that industry is going half-way (?to meet us) after all. We count on, and certainly think that the issue of critical imports, needed by rural areas—fuel, spare parts and a lot more—will be resolved by international (?hard) currency credits, which should arrive in Ukraine at the beginning of this month from the IMF and the World Bank. (?They have) very serious grounds for this."

[Correspondent] I was interested in the president's impressions of his meetings with workers of Kherson, Nikolayev and Vinnitsa oblasts, which took place on Friday and Saturday.

[Kuchma] "If one were to take those ordinary people, with whom I talked, and make them deputies in the Supreme Council, and swap them with the deputies, there would be no problems. People only want one thing now—to have work and to receive money for their work. I have once again been truly convinced that the individual should be in first place in the president's and government's plans, and in the Supreme Council's plans, too. We should all approach these issues in a balanced way, I repeat again, we should proceed from the state's possibilities."

[Correspondent] Petro Sabluk, first deputy prime minister [for the agro-industrial complex], Anatoliy Danylenko, chairman of the Supreme Council Commission for the Agro-Industrial Complex, heads of a number of ministries and departments, directors of chemical plants and managers of individual agricultural enterprises took part in the Council of the Regions session. The Council of the Regions adopted a corresponding decision on immediate supplies for the whole complex of spring field work and on the personal responsibility for this on the part of the heads of central and local bodies of state executive authority.

[Announcer] Our oblast correspondents Anatoliy Kushko, Petro Tolochyk, and Serhiy Alyeksyeyev reported on President Leonid Kuchma's tour of Kherson, Nikolayev, and Vinnitsa oblasts.

Crime Increase Said Reason for Introducing New Passports

WS0603100195 Kiev UKRINFORM in English 0845 GMT 6 Mar 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As UKRINFORM's Kiev correspondent reported on Thursday, March 2nd, a press briefing took place at the Ukrainian Internal Affairs Ministry, during which journalists were informed that the ministry will begin issuing new Ukrainian passports by the end of March.

As was disclosed at the press briefing, the new Ukrainian passport will be blue in color and will not, unlike the old one, contain such information as nationality, family status, etc. It was however disclosed that bearers of the new passport will still have to be registered in particular towns or cities, since the Ukrainian government is yet to develop a population registration system.

A special passport, red in color, will be issued for travelling outside Ukraine.

The ministry plans to issue forty million internal and seven million foreign-travel passports.

As the ministry's officials further disclosed, the decision to introduce the new Ukrainian passport was prompted by an increase in the number of crimes involving the Ukrainian passport.

IAEA Team Inspection at Experimental Naval Reactor

WS0603102795 Kiev INTELNEWS in English 0906 GMT 4 Mar 95

[FBIS Transcribed Text] Sevastopol, March 2.— An International Atomic Energy Agency [IAEA] commission that arrived in Sevastopol Thursday [2 March] will inspect this week the storage facilities of an experimental UP-200 nuclear reactor at the Sevastopol naval school research laboratory, according to Ukrainian Naval Forces officials. The commission includes representatives of the United States, Japan, the Czech Republic and Ukraine.

The naval laboratory is doing research work under a contract with the Nuclear Energy Ministry and is providing practical training for the naval school cadets.

Chernobyl Director Advocates 'Modernization'

WS0303160195 Kiev INTELNEWS in English 0102 GMT 3 Mar 95

[FBIS Transcribed Text] Kiev, March 1—Serhiy Parashyn, Chernobyl nuclear plant general director, said Wednesday [1 March] that the criticism and fear of the Chernobyl plant should stop.

"The plant has changed for the better in the last nine years since the nuclear disaster," he said. "It is now safer than it used to be and the city of Slavutych has fine living conditions. Constant accusations and pressure on the Chernobyl plant affect the safety of the plant and its personnel."

Parashyn said the demand of G-7 to close the plant as "uncivilized and ignoring the interests of Ukraine."

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Many buildings and constructions of Slavutych, which is 60 kilometers from the Chernobyl nuclear plant and in which the former Soviet Union government had invested US$200 million, remain unfinished, the general director said.

"Despite the plant's age, we should work on modernization of the Chernobyl plant, instead of simply closing it," Parashyn said. "We should work to provide the highest safety of the plant and for people who live in Slavutych, where the birth rate is twice as much as in Ukraine. Every day should be like a holiday. The West will not solve these problems for us."

Crimea's Tsekov Unlikely To Be Reelected

MK0403111595 Moscow NEZAVISIMAYA GAZETA in Russian 4 Mar 95 p 1

[Report by Aleksandr Pilat under the "Crimea" rubric: "Dismissal of Parliament Chairman. Seven Candidates Contest Sergey Tsekov's Seat"]

[FBIS Translated Text] The closed plenary sitting of the Crimean Supreme Council session announced in the morning 2 March continued well into the night. Your NEZAVISIMAYA GAZETA correspondent has learned that harsh criticism at this sitting was leveled at parliament speaker Sergey Tsekov, who, far from taking Crimea's statehood a step further, ruined what was done through the effort made in this direction by the previous parliament and its speaker, Nikolay Bagrov, personally. Former Presidium member Anushavan Danelyan said he used to come to the Presidium sittings as if to a pack of wolves. Most deputies demanded that Tsekov resign on his own accord.

Tsekov was finally made to file his resignation and the session passed two decrees. The first says that as a result of the passing of the Constitution of the Republic of Crimea, the law "On Organs of State Power" should be seen as invalid (the law Tsekov was clinging to for dear life because it says that the parliament speaker can be unseated by two-thirds of the votes). The second decree complies with Tsekov's request to be relieved of the Crimea Supreme Council chairmanship but he will continue in the post until a new chairman has been elected. These two decrees received the votes of 66 deputies—a constitutional majority—whereas 50, or half the house, would have been sufficient.

Later journalists were admitted to the plenary sitting and the deputies proceeded to nominate candidates for the position of Supreme Council chairman. The "Kurultay" faction did not put forward any candidate, with its chairman Refat Chubarov saying: "We will attentively look at the candidatures that will be put forward by the other factions." There are seven candidates to be parliament speaker. The "Agrarians" faction nominated Vitaliy Verchenko, director of "Yuzhnaya" poultry farm in Simferopolskiy Rayon; the "Agrarians of Crimea" faction's nominee is Mikhail Shumakov, director of the "Nizhegorodskiy" state farm-plant; the "Republic" faction's choice is Vladimir Klychnikov, chairman of the Crimean Union of Afghanistan Veterans; the "Reform" faction put forward Anatoliy Gritsenko, chairman of the Leninskiy Rayon Chistopol Village Soviet; the "Crimea" deputy group put forward Aleksandr Korotko, chairman of the "Medissa" joint venture; and the "Republic" and the "Russia-Unity" factions nominated Sergey Tsekov. Deputy Boris Deych nominated Vasiliy Kiselev, chairman of the "'Peoples' Friendship' Collective Farm" agricultural firm in Krasnogvardeyskiy Rayon. The session formed a counting commission of seven persons (each candidate proposed his own campaign manager, as it were). It was late at night, and since the peninsula's Muslim population marks on 3 to 5 March their most important Uraza Bayram festival, it was decided to continue discussion of the nominated candidates on Monday 6 March.

Observers are convinced that there is no way for Sergey Tsekov to be elected once again. He is backed today by 46 deputies at most (he needs 50). The more so because the process of voting (casting ballots in voting booths) will drag on for several days or possibly a week. Nobody at the moment ventures to say who the future parliament speaker will be. Most probably Sergey Tsekov and Aleksandr Korotko or Vladimir Klychnikov will make it to the second round of voting, when all the deputies with the exception of the "Russia" and the "Russia-Unity" factions will cast their ballots for Tsekov's opponent. The number of such deputies today is 52.

Crimean Journalists Protest 'Restriction of Rights'

AU0403145195 Kiev HOLOS UKRAYINY in Ukrainian 1 Mar 95 p 2

[Unattributed report from Simferopol: "Journalists Protest"]

[FBIS Translated Text] The Crimean Union of Free Journalists issued a protest against restricting their professional rights by Crimean law-enforcement bodies and the presidential guard.

It follows from the text of the statement, disseminated by the union in Simferopol on 27 February, that on 26 February, guards of Crimean President Yuriy Meshkov prevented journalists of the "Chernomorskaya" (Simferopol) and Ukrainian Television First Channel companies from taking shots of the president. They also confiscated a video camera complete with a cassette.

Crimean Journalists Threatened by Listyev-Style Killings

LD0403205095 Kiev UNIAN in Ukrainian 1650 GMT 4 Mar 95

[FBIS Translated Text] "This is our last warning to the '13 List' and their supporters. Get out of Crimea! Soon you all will work with Listyev on 'Next World TV'. It is shameful how Russia is crying over a Jew. Nobody will

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be crying over you here. We will not let that happen. You are all marked." This is a letter received by Anna Konyukova, the Crimean correspondent of Russia's Independent Television, NTV.

The "13 List", a group of Crimean, Russian, and Ukrainian independent journalists who have openly expressed their views on developments in the region, have been receiving similar threats for some time.

Economic Issues

Economic Problems Addressed in Letter to Parliament

LD0403133595 Kiev UNIAN in Ukrainian 1200 GMT 4 Mar 95

[FBIS Translated Excerpt] Kiev—As a resignation statement by the prime minister, on 3 March, for the third time in recent weeks, Vitaliy Masol addressed Ukrainian President Leonid Kuchma and Oleksandr Moroz, Supreme Council of Ukraine chairman in a letter, setting out his own vision of the settlement of key problems in the economy today.

He reiterated his support for selective financial assistance to industries of primary importance, which, in his view, required a supplementary issue of credits. A decision on the issue of these credits should be an operational prerogative of the Cabinet of Ministers, Masol said. [passage omitted]

Masol suggested there should be stricter sanctions in the event of untimely payment for energy, with businesses' wages only to be paid when at least half the outstanding total energy account has been settled. He also said there should be a law on bankruptcy.

Masol said in an interview with UNIAN: "Dismissing executives or fining businesses is no way out. What should be done is to delay the payment of managers' wages for two to three months. There will then be no delay in settlements."

He repeated his earlier statement that the significance of international financial aid should not be overestimated, as it only accounted for eight percent of the minimum state budget requirement.

It is Ukraine where production should be stimulated, Masol underlined. He also added on the subject that forecasts of the success of harsh monetary policies in Ukraine were "incompetent and unprofessional."

President Orders Measures To Regulate Trust Companies

LD0303152095 Kiev Radio Ukraine World Service in Ukrainian 1240 GMT 3 Mar 95

[FBIS Translated Text] To safeguard the interests of the population of Ukraine in the performance of operations by trust companies involving funds provided by the population, and to prevent abuses by the trust companies, the president of Ukraine has decreed as follows:

The Cabinet of Ministers of Ukraine with the participation of the National Bank are to draw up, within two weeks, a bill on changes and amendments to the Cabinet of Ministers decree of 17 March 1993 on trust companies. It is to establish, in particular, that the trust companies can only gain access to the funds provided by the population of Ukraine through the commercial banks; that the trust companies are systematically to inform their trustees about the results of operations involving the funds so provided; and that the relevant state authorities are to ensure effective control over the activity of trust companies involving the funds provided by the population of Ukraine.

Parliament Approves List of Privatization Exemptions

LD0303151695 Kiev UNIAN in Ukrainian 1230 GMT 3 Mar 95

[FBIS Translated Text] Kiev—A session of the Ukrainian Supreme Council on 3 March approved one more list of enterprises exempt from privatization because of their national importance. The list was approved by 218 votes in favor, with 21 against and 10 abstentions.

The document adds to an earlier one passed by parliament on 6 December 1994 and lists about 90 companies in the defense, oil refining, and bread industries. According to Oleh Taranov, chairman of the Supreme Council Commission for Economic Policy and Management of National Economy, they make up less than 1 percent of all state enterprises in these sectors.

Increased Money Supply Causes Interest Rate Rise

WS0603112195 Kiev INTELNEWS in English 0005 GMT 6 Mar 95

[Report by Serhiy Shevchenko]

[FBIS Transcribed Text] Average annual interest rates charged by commercial banks for monthly loans to enterprises increased to 280 percent last week, up from the previous week's 250 percent.

The credit market finally reacted to the KBV [karbovantsi] 25 trillion in credit emissions approved by Parliament last month, although experts say the worst is yet to come.

The KBV credit emissions increased the money supply on the market and boosted the demand for loans, which in turn made credits more expensive.

According to analysts, such emissions usually affect the credit market in two or three weeks after the money is put into circulation. Since the credits were issued at the end of February, the full impact is expected in March.

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"Neither the National Bank of Ukraine [NBU] nor the government has submitted any economic studies or forecasts of how recent credit emissions will affect the market," said Viktor Suslov, who heads Parliament's Budget and Finance Committee. "So the vicious circle continues, in which the Economics Ministry plans price hikes and later calculates the necessary amount of credit emissions to fit the price increases," he said.

Annual interest rates on short term (one to two-day) loans on the commercial bank credit market last week ranged from 120 to 130 percent, up from 100 to 120 percent the prior week. Weekly loans fixed at a 160 percent annual interest, not changing from the previous week.

Meanwhile, as the final consequences of the February credit injections have not yet materialized, some politicians are pushing for even heavier emissions this month. Deputy Parliament Speaker Oleksandr Tkachenko, a hard-line leftist, believes such emissions should be worth KBV 30 trillion to KBV 35 trillion (about $275 million at the official exchange rate).

Several presidential administration officials admitted the credits are necessary, but cautioned against throwing good money after bad by subsidizing unprofitable enterprises. Presidential Industrial Policy Adviser Volodymyr Ryzhov said this week that only successful businesses should get credits, which should be used for modernization, but not consumption—and that the government should strictly supervise where these credits go.

In a related development, the NBU plans to restrict the issuance of loans by commercial banks in the near future. According to NBU Deputy Governor Borys Markov, commercial banks will not be allowed to loan more than 25 percent of their reserve funds to one particular client. These restrictions are seen by analysts as intending to limit bank risks.

According to new draft regulations, credits loaned to another bank should not exceed twice the sum of the commercial bank's statutory fund.

The commercial bank shareholder will not be able to borrow more than his or her equity. The new regulations are expected later this month.

Meanwhile, international credits, including a $1.5 billion standby loan from the International Monetary Fund, may exert a stabilizing influence on the credit market in the future. According to IMF representative Alex Sundakov, the first installment—$370 million—will be allocated in the first quarter.

Coal Industry Reform Seen as Sham

95P50076A Lvov POST-POSTUP in Ukrainian No 5, 10-15 Feb 95 p 5

[Article by Maryana Chorna: "Reform or No Reform, It Is All the Same In the End"]

[FBIS Translated Text] Reform in the coal sector is somehow surrealistic. It began with the proud statement of the Cabinet of Ministers: Starting from January 1995 there will no longer be any subsidies, the miners will be given their freedom. The logic of economic laws will finally touch the holy of holies of the administrative-command kingdom—coal. A holiday for common sense! But let's not hurry... While the higher ups were making a lot of commotion, in the Ministry of the Coal Industry a modest booklet appeared: a catalog of the only prices allowed on coal production, established from above. Volodymyr Ohuy, head of administration of the Ministry of the Coal Industry showed us this "product of reforms." He also let us in on all the details: how all these prices were determined. The ministry determined that a ton of coal in 1995 will cost 3.5 million karbovantsi (32 USD): all expenses plus profit plus maintaining the social sphere, including burial and injury benefits, and in addition to that rescue work and ...

The new "calculated-wholesale" price for Ukrainian coal of 32 USD - is noticeably higher than the world price of 25-27 USD. By the way, that 32 USD includes everyone: just like the old joke the military hospital, where in the morning the head doctor reported that the average temperature in the ward was 36.6 degrees. One patient had a temperature of 34.5 degrees and another had a temperature of 42 degrees. Thus, in all everything was normal. In practice it works out this way: A director who pulled out all stops to achieve a lower cost of production, after having at least lowered such "productivity losses" as the bodies of his own miners, is stuck. He has to charge 32 USD a ton, period. He could sell it for 25, but he is not allowed, for next to him is another "manager" who has twice as many people in the office as in the mine, injuries every week, and a disaster every year. There you have the mean index...

The question whether it was possible to arrange things so that the mines set their prices themselves, angered Mr. Ohuy greatly. No, he declared, that is not possible. For coal extraction conditions vary: at one mine face they are better, at another they are worse, and that is a God-given fact. In addition, the technology at one is newer, at another older, and that is "state given." Under conditions of free pricing, this will result in one being profitable and another unprofitable: this is blatant social injustice! But the following is the main reason: "We have 248 mines, of which only 58 have a positive balance, what do we do with the other 190, close them? There will be a social explosion." That is it. No more is said. It never occurred to the Ministry of the Coal Industry that under such "market price formation" 190 directors of 190 mines will peacefully dream on the next 190 years and they will not even give a thought to improving technology, cutting back the secretarial staff, or at least lowering the number of people killed or made into invalids, in order to lower the cost of coal production.

However those 58 directors, who according to Donbas custom, still continue to work, will in the end simply

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throw up their hands. Under such a market approach the wisest course is to do what Mr. Ilyushenko of Donetskvuhillya did, and a whole series of production associations plan to do—go bankrupt. For when you go bankrupt no one forsakes you, you poor wretch, in the Ministry of the Coal Industry. They throw you a little money at the "average hospital price" and one can start afresh. This is the Ministry of the Coal Industry market in its macrostructure. The most interesting feature is the absence of two vile products of capitalism: the profit motive and competition.

Relevant to that point, wages are also included in the price of coal. According to official data from the Ministry of the Coal Industry, it makes up 25.4

of the price of coal. If one includes bonus work, a bit more. In the times of unregulated capitalism, if one believes Karl Marx, this component for German miners exceeded 30%, and was called "merciless exploitation of the working class." In that case, what is the Ministry of the Coal Industry Practice called?

Now let's model the behavior of consumer-95, to whom we offer this "statistically average" coal at 32 USD, when it is possible to buy Rostov or Polish coal for 25 greenbacks a ton. What will he do? You are right: he will take any one, but not Ukrainian coal. So the 32 dollar a ton price will remain on paper in the ministerial catalog, and the profitable and still vital mines will slowly die, which will decrease production. Regular formations of unemployed miners will go to Rostov, and still another step toward the clinical death of the coal industry will have been taken.

Naturally we still have not reached this macabre prospect. The employees of the Ministry of the Coal Industry know their subject matter and assured POST-POSTUP that there will be subsidies. They will call then something else more becoming, but that is a certainty. We were not mistaken in our forecasts, for a week after our conversation, President Kuchma visited the Donbas and... calmed down the coal directors: there will be subsidies. We cannot exist without them—coal is too expensive. But why it is expensive— that is already another question...

What about reform? There will also be reform: they will close 12 unprofitable mines, of which 5 will be in central Donbas. Why it is necessary to close 12, and not 5 or 50 and exactly which ones, the devil only knows. Beyond that, the social sphere is not counted into the cost of production. It is hard to say on whose back to place the sanitoriums. With daycare centers the situation is clearer—this will fall on the Donetsk oblast and city budgets. In addition, National Bank Chairman Yushchenko made clear that, as Donetsk has paid its contribution in the past in full, so will it continue to do in the future. All attempts to keep more money in the regions that was made in those very same regions—are nonsense. For the National Bank does not have a private stash where it can obtain money. Does Donetsk have one?

The market is where one is allowed to compete freely with one's neighbor, improve technology, lower production costs, and according, prices as well. This is an economy where bankruptcy is allowed and where one can accumulate a surplus, but above all by your own work out of raw materials. I involuntarily recalled the interview with the head of Donetsk Strike Committee, which ended the autumn strike so that, God forbid, reforms would not be cut short. Thus belts that had already gone 3 months without being paid were tightened further. Independent insurance companies, insured medicine and there, privatization as well, had already been squeezed out of them somewhere. In the ministry they assured POST-POSTUP: there is enough Ukrainian coal to last 500 years. But does Ukraine have enough miners and strength for such a "reform?"

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Belarus

Lukashenka Said To Accept 'Cold Peace' 'Doctrine'

WS0303143295 Minsk SVABODA in Belarusian 1 Mar 95 p 2

[Report by Ales Dashchynski: "Lukashenka Began To Build 'Cold Peace'"]

[FBIS Translated Text] **When a SVABODA correspondent asked for a comment on President Lukashenka's statement about the halting of weapons reduction, the Belarusian Foreign Ministry said that it was triggered by purely financial difficulties.**

Belarus signed the Conventional Armed Forces in Europe Treaty [CFE] with delay, thus raising concern in Western states. When in October 1992 the legislature discussed the ratification of CFE, the deputies from the communist majority, to which People's Deputy A. Lukashenka belonged, claimed that Belarus was falling into the NATO trap. Military officers came up with a proposal to sell weapons abroad. Finally, common sense prevailed. The first shipment of infantry fighting vehicles was cut up for scrap at the Tank Repair Factory in Borisov on 23 December 1992. They then began to recycle artillery weapons, tanks, and certain types of aircraft. The destruction of excess, outdated weapons was conducted strictly according to schedule and should have been completed in 1995. Due to the destruction of infantry fighting vehicles, Belarus obtained 50,000 tonnes of the metal of highest quality.

Belarus ratified the Treaty on Reduction and Limitation of Strategic Offensive Arms, and the accompanying Lisbon Protocol, on 4 February 1993. The Republic has also joined the Treaty on Nuclear Nonproliferation. Such activities led to the situation in which Belarus began to enjoy the confidence of the West.

Now President Lukashenka strikes at our country's international authority. Eventually, we could expect that he would make such a statement, because any anti-democratic system always cares for weapons.

It is symbolic that Lukashenka ordered a stop to the dismantling of military hardware as early as on the eve of President Yeltsin's visit. According to certain opinions, it was Moscow that came up with such a proposal. Perhaps the Kremlin decided to threaten NATO with the aid of Belarus. We want to remind you: President Yeltsin said at the meeting in Budapest that if East European countries join NATO before Russia, Europe will obtain a "cold peace" to replace the cold war. As is known, the Belarusian president was the first to bite on the elder brother's "doctrine."

The opposition assesses such Lukashenka statements unequivocally. Deputy Holubew, one of the leaders of the Belarusian Popular Front, thinks that "such games undermine Belarus' authority." "We should comply with the agreements our country has ratified rather than engage in empty talk. Lukashenka, however, always skids: Now he says one thing (to please Moscow), now he says something completely different (to please the West)," Deputy Holubew says.

Meanwhile, the Lukashenka administration places the accent not on the political, but on the economic side of the problem. As Security Council Secretary V. Sheyman told a SVABODA correspondent, "Belarus is not going to withdraw from the treaty [on arms destruction] and will implement it. The suspension of the treaty was caused by the difficulty in subsidizing two factories that handle weapons destruction." Responding to a question of whether Russia could help resolve that financial problem, V. Sheyman answered: "Perhaps, no."

Top Belarusian military officials responded calmly to Lukashenka's statement. A representative of the Agency for Inspection and Supervision, who asked that his name not be revealed, said: "Proceeding from the president's statement, it is necessary to raise the issue before our NATO colleagues. They should help us implement that noble mission. I believe that NATO officials will think of ways to aid Belarus. Now it is necessary to find resources for the social protection of servicemen, who are released [yakiya zvalnyayutstsa], and also for the retraining of officers."

We were told at the Tank Repair Factory in Borisov that they stopped scrapping military hardware. The factory will deliver only 1,500 tonnes of metal to Sils, the German company, even though the contract called for the delivery of 20,000 tonnes of metal. The chief engineer, however, is sure that the factory will not stand idle. He pins hopes on the joint programs envisaging the repair of Russian military hardware. Therefore, we can expect that Belarus will be flooded with Russian scrap (taking into consideration the war in Chechnya and the size of the Russian Army).

Nuclear Nonproliferation Treaty Fully Supported

LD0303141895 Moscow ITAR-TASS in English 1337 GMT 3 Mar 95

[By BELINFORM correspondent Aleksandr Lyushkevich for TASS]

[FBIS Transcribed Text] Minsk March 3 TASS—Shortly before the beginning of a conference of member states for the review and prolongation of the treaty on the non-proliferation of nuclear weapons, the Republic of Belarus expresses full support for the decision to prolong it unconditionally and without time limits, says a statement of the Belarusian Foreign Ministry.

The statement pointed out that part of nuclear arsenals of the former USSR happened to be deployed on the territory of Belarus. On February 4, 1993 the Belarusian Supreme Soviet adopted a resolution on joining the non-proliferation treaty without any conditions as a non-nuclear state. Thus, Belarus became the first country

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in world history, which rejected on its own free will a real possibility to possess nuclear weapons. It contributed a great deal to the strengthening of the non-proliferation regime by its consistent policy with regard to all types of mass destruction weapons.

"The treaty without time limits is the only one that can ensure the effectiveness of the non-proliferation regime, consolidate security and stability all over the world," the statement of the Belarusian Foreign Ministry stressed.

Debt for Russian Gas, 'Improved' Situation

WS0603100995 Minsk BELAPAN in English 0830 GMT 6 Mar 95

[FBIS Transcribed Text] According to a source closely connected with the government circles, on March 1 1995 Belarus' debts for Russian gas totalled 417 million U.S. dollars (in August 1994 this indicator amounted to 435 million). The situation with payments for the supplied gas is being improved. In January- February Belarus paid for 92 percent of the current gas deliveries. The Russian Gazprom concern meets its engagements for the gas supplies in their entirety. In January-February the Republic received 2,945 million cubic metres of Russian gas (during the same period of last year—3,144 million cubic metres).

Parliament Adopts Bill on Local Power

WS0603105295 Minsk BELAPAN in English 0830 GMT 6 Mar 95

[FBIS Transcribed Text] Having debating once more the bill on the introduction of amendments to the law on local government and self-government, which was approved by the Supreme Soviet on February 9 but turned down by the President, the parliament confirmed its approval of the bill by two thirds' majority without the amendments proposed by Alyaksandr Lukashenka, and submitted the bill for signing by the President again.

President Lukashenka proposed the exclusion of local Soviets from the list of state organs as, in his opinion, they are not. He also demanded that the clause that the posts of chairmen of local Soviet and local executive committee should be held by one man should be struck off. Both amendments of the President were completely routed by the Supreme Soviet committee for state construction. According to the committee, the Belarusian legislation does not specify which matters are local and which are state. That means that local Soviets can be regarded as organs performing state functions in the provinces.

The deputy chairman of the committee Mikhail Kazyuchyts pointed out that if one man holds the post of chairman of Soviet and the post of chairman of executive committee simultaneously, this will be beneficial from both the economic and the political viewpoint.

Three days after the parliament submitted the bill for signing for the second time the document will be considered signed and come into force.

On March 3, the Supreme Soviet assumed the bill on the organizational and legal measures for the struggle against organized crime and corruption, which had been elaborated by the Prosecutor's Office of Belarus, as a basis for further discussion. The bill had been seconded by the Supreme Soviet committee for national security, defence, and prevention of crime. The bill is to create a legal base for the terms "organized crime" and "corruption" which are still undetermined by the national legislation. However, the bill proved to be so "raw" that the Supreme Soviet had to return it to the Prosecutor's Office and the parliamentary committee for improvement.

Minimum Wage Increased; Prime Minister Comments

WS0303135595 Minsk BTK Television Network in Belarusian 1900 GMT 28 Feb 95

[Report by V. Kharkow and Z. Hamberh]

[FBIS Translated Text] There is no need to expound on how prices and wages increase. Prices are being increased regularly, while wages—within possible limits and in cases of acute need. Such a measure will also be adopted in March, Prime Minister Mikhail Chyhir told a news conference today.

[Begin recording] [Chyhir, in Russian] We have today signed a resolution by the Cabinet of Ministers, which envisions an increase in the minimum wage to 60,000 rubles and the first-grade wage to 100,000 rubles. This is a difficult and important resolution for the national economy. We think that this resolution has been calculated to a fairly deep extent, and hope that the results of our industry's work will be positive. By adhering to these conditions, we hope to maintain the exchange rate and, by virtue of this, increase the real incomes and purchasing power of the people. [end recording]

From where will the money for increased wages come? Employees of the budget sector will receive it from the budget, while those of the profit and loss accounting sector—from the incomes of their enterprises. All this will require an addition 600 billion rubles. The Cabinet of Ministers pins its hopes for covering the expenses on the industrial sector. If production does not decrease, life will be acceptable. There are no grounds to pin one's hopes on the agricultural sector for this matter. Even the crucial period of sowing is financially secure only in terms of its demand for fuel. The situation is also difficult with regard to fertilizers, but, according to the government, the problems will be resolved.

The government is also optimistic about payments for Russian gas—they were accomplished almost 100 percent of the time during the first two month of this year. Regarding the stabilization of the exchange rate of the Belarusian ruble, both the Finance Ministry and the National Bank, according to the prime minister, have made no interventions to this effect. Possibly, the exchange rate reflects the real purchasing power of the ruble.

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One more thing. The first shipments of cotton from Uzbekistan have already arrived in Belarus, even though their volume does not meet the planned schedule.

Almost 1.5-Fold Unemployment Increase Reported

WS0303124395 Minsk Radio Minsk Network in Belarusian 1100 GMT 3 Mar 95

[FBIS Translated Text] The Belarusian Statistics and Analysis Ministry reported that as of late January, 107,000 individuals officially held the unemployed status in Belarus, accounting for 2.2 percent of the economically active population. Compared with last year, the number of unemployed increased almost 1.5-fold. Of those unemployed, 60 percent are [blue-collar] workers and 35 percent white-collar workers.

BELAPAN Phone Lines Restored

WS0303125095 Minsk BELAPAN in English 0900 GMT 3 Mar 95

[FBIS Transcribed Text] On March 2, the BELAPAN news agency was again granted the opportunity to use telephone and other communications. The BELAPAN staff associated this event with the warning about BELAPAN's intention to bring an action against BELINFORM, the presidential news agency, with which BELAPAN has a lease agreement, as well as with the wide public echo that the disconnection of telephones in the BELAPAN news agency received. At the same time the notification from the president's administration about the unilateral cancellation of the lease agreement with BELAPAN, which violates Article 194 of the Civil Code of the Republic of Belarus, is still in force.

Moldova

Snegur Interviewed on Domestic, CIS Issues

MM0303130495 Moscow TRUD in Russian 1 Mar 95 pp 1, 3

[Interview with President Mircea Snegur by TRUD Chief Editor Aleksandr Potapov; place and date not given: "Mircea Snegur: 'My First Concern Is the Integrity of the Republic'—The President of the Republic of Moldova Answers Questions From TRUD Chief Editor Aleksandr Potapov"]

[FBIS Translated Text] [Potapov] Mr. President, it would seem that it is not so long ago since you and I last met, although it was in another country and in another time.... To begin with, can you name, say, the three problems which concern you, as leader of the state, most of all right now.

[Snegur] Without a doubt I would put the problem of the integrity of our republic, and the quest for ways to compromise with the leaders of the Dniester Region, in first place. The issue of the southern rayons, where the Gagauz live.... I will risk forestalling events here and say that it is settled. Parliament adopted a law on the juridical status of these regions, and this law is beginning to be implemented. The situation on the left bank of the Dniester is far more complex. Here it has to be admitted that there is a great deal which is not working out. But my dream—and I think it is attainable—is to settle this problem, too, in 1995.

The second problem concerns society's more vulnerable strata.

[Potapov] Living standards as a whole?

[Snegur] Yes, but primarily those of pensioners, invalids, large families, and certain other groups.

And there is a third element which I would highlight—that is, dissatisfaction over the way in which the removal of artificial barriers erected between CIS countries is progressing, even though some progress is being made here....

[Potapov] Looking back at what happened after the collapse of the former Union and the creation of the CIS, what were the greater for Moldova and its citizens here—the gains or the losses?

[Snegur] I would be a bit more specific here: After the collapse of the totalitarian regime. But even from this standpoint, the gains were greater. Why? Democratic reforms began in conditions of independence. To be precise—a multiparty system, democratic elections, the decentralization of the economy, the transfer of many functions to the localities, and so on. We acquired quite a lot from the point of view of freedom in economic activity. Since the beginning of 1992 we have also embarked on risky but necessary economic reforms, and we are trying to be consistent.

But at a time when in the world, in Europe, everybody is moving toward integration, toward the eradication of barriers, toward the transparency of borders, in our country a great deal has happened "pretty much the other way around." We all lost a great deal from this. In Moldova, owing to these very obstacles and barriers, industry functions at 60 percent of its capacity. And jobs are linked with this. Let's assume that, officially, 22,000 people are registered unemployed. But we all know about hidden unemployment—such as when an enterprise operates just three or four days a week.

Anyway, the gains were, of course, greater—at the very least, today the whole world knows about the Republic of Moldova and where it is. We have foreign economic trade links with 82 states....

[Potapov] It will come as a surprise to some people that Moldova will be the first of the CIS countries to join the Council of Europe. In this connection, can it be said that the formation of democracy has already taken place here?

[Snegur] You know, the terms of admission to the Council of Europe are tough; nothing less than the development of democracy and compliance with human

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rights are regarded as fundamental. Nobody can accuse, for instance, me personally of dictatorship. Even your colleagues, or, more precisely, your esteemed newspaper.

Again. Take elections on a multiparty basis, in accordance with party lists—we switched to this immediately. And, having elected a parliament—and here, too, the president had to show resolve—we conducted a republic poll. As a result, the people clearly declared: Moldova must be built in the long term as an autonomous state. This answer was also given by those who still dream of a revival of the former Union. And the Constitution adopted by the new parliament, which received a high appraisal from foreign experts, guarantees the protection of human rights irrespective of nationality.

Or the fact that an opposition emerged. On the threshold of the elections for the local power, an opposition bloc made itself known—it comprised nine parties and movements. There is in point of fact a left-wing, procommunist opposition. This does not bother me. If there were no opposition, it would have to be invented.

An important element is the press. To all intents and purposes, it is free. But there was an episode when accredited Russian journalists did not see eye to eye with our press service. This was a misunderstanding.

And again. In our country 35 percent of the population consists of "ethnic minorities." And we will create all the conditions necessary for the development of their culture, and for the implementation of the full panoply of rights. If the Russians or the Ukrainians lack something, then this is felt equally by the Moldovans too.

[Potapov] Give us an evaluation of the Dniester Region situation. Are you confident that a return to forcible methods will be successfully avoided?

[Snegur] Let me add the following to what I said when answering your first question: I thank God that he gave me the ability to halt the conflict in the Dniester Region as soon as hostilities began to grow. I am grateful to Russia, because without its mediation it would be simply not have been possible to halt this conflict. And if there has been no firing on the Dniester for two and a half years, then this must be worth a great deal.

I will not say that calm dialogue with the Dniester Region leaders always works out. But we came to an agreement, and we put it in writing that we will never more return to the use of force. We confirmed this in December. Agreements were reached on national education, mutual accounting, the customs service, the chamber of commerce and industry. So economic integrity, in general, is being preserved. You know, in our country 34 percent of industry is on the left bank of the Dniester, and we must support it and grant it credits....

At a meeting 21 December I proposed: Let us, when deciding these and other questions, highlight in particular the main issue—the status of the Dniester Region. It is essential to remove that security zone between the left and the right bank, to remove the peacekeeping forces, to repair bridges—there are three bridges which are not operational, and we are incurring huge losses, as is Ukraine.... We meet on a monthly basis. And on the whole a benevolent atmosphere has prevailed so far.

As for the February meeting, it was very strained. Unfortunately, certain journalists interpreted it too much to their own liking. A correspondent from Odessa, broadcasting on the "Ostankino" television station, basically invented the idea that the meeting was rendered more complicated owing to the problem of the 14th Army. But we did not even broach this topic. I think that the debate which we had in the presence of foreign mediators moved us forward. The dialog is progressing less than smoothly, because views do not coincide on the very issue of the status of the Dniester Region within the framework of Moldova. Although we agreed that Moldova is integral, and this is an achievement. But on the subject of status.... We have agreed with the Dniester Region population that for now we will not disclose the thrust of our differences of opinion. But today we are closer to a compromise, than we were, say, in December.

[Potapov] And you are totally confident that it will be possible to avoid forcible methods?

[Snegur] Yes, there is no doubt about this.

[Potapov] How does the implementation of the agreement on the withdrawal of the 14th Army look to you in fact? From which premise do you proceed when proposing international control? Perhaps, also, you would say a brief word on the position of the Army commander....

[Snegur] There is an agreement signed by the prime ministers of Russia and Moldova, and a deadline has been determined for the withdrawal—namely, three years. Furthermore, several technical agreements, so to speak, have been signed and we must act according to this. Therefore, individual declarations by the commander, Lieutenant General Lebed, or the leader of the Dniester Region, Igor Smirnov, are not, I think, up for discussion. Although they may cause a few complications. From the commander's recent declarations, I have realized that even his view is changing—insofar as the states are coming to agreement. Already, work has begun on the withdrawal of certain units.

Both your country and ours have a contradictory opinion about General Lebed. As do I. I will not venture to talk about his opinion of me—it is very bad. But once more I want to stress that order was established in the 14th Army with the appointment of General Lebed—he "closed the gates" of military units and depots, and halted the pilfering of weapons. The huge depot which it will take three years to clear of arms is under strict guard....

For us, the threat comes not from the 14th Army as such, not from the contingent, which, they say, is made up of 75 percent locals. We are prepared to deploy them on a

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contract basis in our national Army if they are locals. The object of concern for us and for the whole of this part of Europe is this huge arms depot. We advocate withdrawing it completely. The interstate agreement is not open to any measure of revision.

From this standpoint, the idea of international control, or rather observation, was put forward. We suggested that this be implemented by the OSCE [Organization for Cooperation and Security in Europe] mission operating in our country. Questions were raised. No, this is not a gesture of mistrust toward the "Russian side"—it is just that this is how the situation is in the Dniester Region. You know, had there been no weaponry to hand, the Dniester Region conflict itself would not have come about. There are certain similarities here, incidentally, with the pitiful events in Chechnya too.

[Potapov] How does this pan-Russia tragedy look from here?

[Snegur] First, a word about separatism—we have often stated our position on this score. And there is an item in the Almaty Memorandum of CIS leaders in which the countries assume obligations not to support separatists in another country either politically, economically, or morally. So there is unanimity on this score in the Commonwealth.

Questions on Chechnya were put to me in America recently at every turn. I reply, as far as I can, diplomatically. Yes, this is a domestic affair for Russia—it is a matter of part of the Russian state. The decisions are taken there. This is not our business, it is not our affair, it is a Russian affair. But going on our bitter, albeit brief, experience in the Dniester, every conflict ends in peace—surely it would be better to settle it in this way at the start.... You have to agree that any peace...you know the Russian saying....

[Potapov] A bad peace is better than a good fight?

[Snegur] Precisely.

[Potapov] Mr. Snegur, Moldova has a very stable currency, a low rate of inflation by comparison with Russia—6 percent for last year. On the other hand, there has been an alarming drop in many people's living standards, the average wage does not cover modest consumer needs of people. Is it possible to talk of realistic prospects for increasing the prosperity of the population?

[Snegur] First, I will note: However difficult certain strata of the population may be finding things, the majority still support the policy of reform. I believe that we acted correctly in establishing such a tough credit and finance regime, and we have embarked upon the abrogation of preferential credits and so on. A drop in inflation, a stable rate for the lei, and privatization. These are our main points of emphasis.

Parliament is discussing the results and lessons of the first stage of privatization. Now the second stage is about to get under way, and in two years we will to all intents and purposes finish the privatization process. There will remain, perhaps, a 20 percent level of state ownership.

For the moment, people are not asking me questions about prices. But the price of bread has increased, as has that of milk.... It is a free market. But pensions are low—we are obliged to think about this, about how to haul them up. If you are talking about the combination of the social and psychological mood, then it is not explosive at this point in time. Explosiveness lies in wait for us from the other side—employment, paying wages on time. I think that if we have a good year in the agricultural sphere—then matters in industry will liven up noticeably too, there will be more jobs, and people will start to earn more. Some 60 percent of the national economy is based in the agro-industrial complex. Then another 30 percent, say, depends upon the removal of economic barriers....

We do not make promises regarding the date and month when "everything will be available." We merely promise that we will move even further along the road of civilized reforms.

[Potapov] Let's turn to interrelations between Moldova and Russia—what, if any, squandered opportunities do you see here?

[Snegur] On the "macro" level we have good mutual understanding. In Almaty we signed an additional protocol to our main treaty which is eventually to be ratified in the Russian parliament. We are also finding common ground with Mr. Chernomyrdin and with his deputies on questions, say, of allocating technical credits for mutual settlements, and other questions.

But the opportunities, of course, are far greater. Sixty-six percent of Moldova's commodity turnover falls to the countries of the CIS—46 percent to Russia. So you can imagine how important economic interrelations with Russia are to us. There are obstacles, but I am sure that they are surmountable.

[Potapov] What is your attitude toward integration within the framework of the CIS, toward economic union, including the agreement between Russia, Belarus, and Kazakhstan on borders and customs posts?

[Snegur] It is essential to develop relations on the principles of the market economy and today's political realities, to expand the quest for mutual interests, and to invest more in joint projects. In general, I favor transparency of borders within the framework of an economic union of Commonwealth states. But imagine what would happen if in our country the principle of "transparency" were to operate while, say, in Ukraine a commodity is subjected as before to hefty duties.... And in signing in Almaty the fundamentals of customs legislation, I was hoping that all countries would take this seriously, that they would set their own legislation accordingly.

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[Potapov] Do you see a real danger in nationalism, in conflicts based on ethnicity and language?

[Snegur] We pay particular attention to resisting any manifestations of nationalism or chauvinism, to resisting feuds on interethnic grounds. Once you let this kind of thing get out of hand, then you can count on it—you'll have had it.

When something begins to go well in our country, the opposition will strive to distract us, putting forward all kinds of ethnic and other such questions. But we have learned something. You mentioned the language aspect. We took advice, and we have postponed, say, the examination on knowledge of the state language so much now that anybody can master it. It has been put back a good few years. Besides, this does not directly concern everybody, just those who want to be enterprise managers, or leaders of a collective....

On the other hand, the Gagauz have been given special arrangements whereby it is possible in parallel with the state language to use the Gagauz and Russian languages. "Language equality" is also presupposed in the draft on the status of the Dniester Region—equality, that is, of Russian, Ukrainian, and Moldovan. That is, in this issue too we are proceeding from the reality which has taken shape.

[Potapov] In hindsight, is there a great deal which you would like, perhaps, to replay and modify?

[Snegur] The question is an unexpected one. If you are talking about life in general—then it is still too early to sum up the results. Of course, as with any thinking person, upon looking back you always evaluate things differently, you see the errors. The only thing is that a great deal depends, too, on circumstances. For instance, in January 1992 reform was begun with the liberalization of prices. I knew that in conditions of state monopolies of ownership, we would be leaving the individual to fend for himself with this tough experiment. But I was forced to do this because we were in the ruble zone. Moscow freed prices—and we did too, otherwise Moldova would have been laid to waste in a month.... I knew that to begin with it was necessary to conduct privatization, to make the individual a property owner. And I would have begun that way.... However, the analysis is yet to come, especially of these years—from perestroyka onwards.

[Potapov] How do you like to relax?

[Snegur] Provided there are no trips or no official delegation, I try to keep Sunday free for relaxation. Preferably in the countryside. I am most drawn by the forest—and if there is a lake in the forest where you can do a spot of fishing, then this is the nearest thing to paradise for me. I go walking, usually with my wife. If there is a chance to "kill" a couple of hours playing billiards—then I like to do this too.

I like to read, and I have a terrific library, but time is short and the newspapers get in the way. I like and support sports teams, soccer and other types. Properly speaking, my family now consists of just my wife and I. My son and daughter already have their own families, and we have a grandson.

[Potapov] And what do you value most in women?

[Snegur] Everything which makes them different from men. Their womanliness. And their beauty, their gentleness, and their kindness. Like any man.

[Potapov] If it comes to it, what do you prefer to drink?

[Snegur] If anything, white wine. Or a drop of the "hard stuff."

[Potapov] What is your personal attitude toward religion?

[Snegur] This is a purely personal issue. As president, I have the utmost respect for a people's attitude toward religion. There was a time of irrational "bellicose atheism." Now I am very happy that I can help to restore and build cathedrals. I am glad that all 23 monasteries in the republic have started to function. I meet with priests from the orthodox church. I love to spend time at a service—you sense a kind of cleansing, a lightness of the spirit. I think that this is nevertheless a movement toward faith....

[Potapov] Finally. We began with a question on the three most important problems for the president. And what if I were to ask you to wish TRUD readers happiness by naming the three most important "components" of it...?

[Snegur] I would wish TRUD readers anything they wish for themselves. First, understanding that not everything depends on the actual reader himself, I would wish him...the sense of being a free man. I would wish for him to live without fear, without constant sideways glances. I would wish that his creative energy should not be suppressed by circumstance. This is the most important thing. Second, I would wish that he successfully realize his gifts from God, from his mother, and of his acquired capabilities. But, thirdly, I would wish for him happiness within the family, in love. People have long been convinced that everything has to be surrendered to society. But free, happy people are a condition of the well-being and health of a society....

Peacekeeping Commander Complains Over Security Violations

AU0303124395 Chisinau INFOTAG in English 1930 GMT 1 Mar 95

[FBIS Transcribed Text] Chisinau INFOTAG 1/3/1995—The deputy commander of the Russian peacekeeping forces in Dniester, Lieutenant Colonel Aleksandr Borovik, is anxious about ever growing instances of security regime violations in the region.

In January and February alone, the Russian peacekeepers had to open fire 8 times against violators. Through the violators' fault, who are usually armed with

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illegal weapons, 27 local residents were killed and 28 injured during the past 2.5 years.

According to Borovik, the peacekeepers who were deployed here in conformity with the Russian-Moldovan Agreement of July 21, 1992, justify their presence in the region. During that time, the forces detained about 10 thousand violators of the security regime, and confiscated 36 submachine guns, 16 pistols, about 70 grenades, etc.

These operations took away the lives of 30 peacekeepers, and 69 Russians were injured, he said.

Referendum on Gagauz Autonomous Area Begins

LD0503100695 Moscow ITAR-TASS in English 0822 GMT 5 Mar 95

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Kishinev March 5 TASS—A referendum has begun in 36 populated areas of southern Moldova on Sunday [5 March] to determine the boundaries of a Gagauz autonomous territory. This is the first step in implementation of the law on special legal status of Gagauzia.

At the end of the 1980s the Gagauz—a small turkic-language ethnic group—stated their right to self-determination and proclaimed a Gagauz republic. The then parliament, which was under the influence of the Moldovan popular front, which advocated a reunification with Romania, declared the proclamation of a Gagauz republic as null and void.

After the Agrarian-Democratic Party took office in Moldova, Kishinev and Comratu (the administrative centre of Gagauzia) managed to agree on an autonomous status of the latter. The boundaries of the area are to be determiend by Sunday's referendum. Foreign observers and representatives form the Council of Europe are present at polling stations.

Foreign Interference in Shaping Policies Deplored

AU0303143195 Chisinau INFOTAG in English 1930 GMT 1 Mar 95

[FBIS Transcribed Text] Chisinau INFOTAG 1/3/1995—"The next Moldovan president will conduct social democratic policy," Anatol Taranu, chairman of the Social Democratic Party of Moldova [PSDM], stated at today's press conference.

Answering a question about possible candidates for the presidency, Taranu said that "the present-day PSDM leader has too little chances to start the race. 1996 is not the year of Anatol Taranu. It is not very important who exactly will be the president. The point is, he must be a social democrat."

In his estimates, the Socialist Party is far from social democratism. As for the Agrarian Democratic Party [PDAM], some of its leaders are social democrats by their political convictions, but the PDAM is conducting a generally liberal policy imposed upon Moldova from abroad.

According to his forecasts, the PSDM will substantially increase its membership soon, and will become a mass organization capable to suggest an alternative policy for Moldova.

"I am anxious about the way the Moldovan policy towards the Unites States is being shaped. I have a feeling that the Moldovan foreign policy is formed not in Chisinau," Anatol Taranu stated at today's press conference.

"Moldova should play on contradictions—including on military and political ones—between the West and Russia, and thus to secure its proper place in international politics. That is the destiny of a small country," he said.

In his words, Moldova is entirely dependent on Russia economically. The Dniester and the 14th Army problems are an integral part of the Moldovan-Russian relationship, and the moment the Republic attempts to oppose to Moscow on the issues, Russia immediately resorts to economic "arguments."

Taranu said, Moldova should not reject credits from international agencies and Western countries, but they should be utilized more efficiently—in particular, for investment projects.

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Kazakhstan

UN Disarmament Conference Admits Almaty as Observer

LD0303162295 Moscow ITAR-TASS in English 1525 GMT 3 Mar 95

[By ITAR-TASS correspondent Konstantin Pribytkov]

[FBIS Transcribed Text] Geneva March 3 TASS—Kazakhstan was granted an observer status in the U.N. disarmament conference today.

After hearing of the application letter from Kazakhstan's Foreign Minister Qasymzhomart Toqayev, the conference's annual session which is now in progress in Geneva unanimously voted for granting the status.

There was no debate on this item, ITAR-TASS was told by the conference's secretary general, deputy U.N. secretary general, director of the U.N. Geneva headquarters Vladimir Petrovskiy.

The session's unanimity indicates acknowledgement of the major contribution to disarmament which Kazakhstan made by joining the Nuclear Non-Proliferation Treaty, Petrovskiy said.

This is also an indication of an enhancing international image of the new state. Now that Kazakhstan is a member of the Geneva disarmament forum it is expected to contribute to the conference's work and use its unique experience.

Nazarbayev Delivers 'Id al-Fitr Address

LD0303141195 Almaty Kazakhstan Television Network in Kazakh 0700 GMT 3 Mar 95

['Id al-Fitr address by President Nursultan Nazarbayev; place and date not given—recorded]

[FBIS Translated Excerpt] Esteemed compatriots, the 30-day fast, the month of Ramadan, which is traditionally kept each year by the Muslim countries of the world, is ending with the three-day 'Id al-Fitr. I hope that your 'Id al-Fitr will bring peace to you.

By their humanity and belief, those who have been keeping the fast over the month have made a great contribution to overcoming today's temporary difficulties, reviving the spiritual life of their own contemporaries, and consolidating confidence in the future.

This holiday of the Muslim community, which has been celebrated since ancient times, has always welcomed peace, unity, friendship, and charity among people. I believe that people who these days look back at the lives they have lived and the work they have done over the past years also wish prosperity to all people and their own country in future, and want to serve the country in achieving this.

You know, not much time has passed since our Kazakhstan became an independent country—only about four years. During these years, we have done a great deal in order to return to our spiritual heritage, revive the spirit of our forbears, observe religion and charity, and make relations between us closer. [passage omitted]

As you can see, over this period a great many changes have taken place. About 4,000 mosques have been opened. People can go to them openly, without fear. If they want, they can save money and go to Mecca and Medina in order to fulfill their Muslim duty. This is also one of our happy achievements. [passage omitted]

So I believe that if we learn how to live together, strengthen friendship, and, in spite of the current difficulties, defend our independence and statehood and support our freedom and, if the Muslims, with their pure hearts, secure the unity of the country, strive for social accord, and help the poor, it will help all of us to get through this difficult period. [passage omitted]

May your 'Id al-Fitr bring you tranquillity, my dear people. I hope your dreams will come true, prosperity and peace will come to every home, the foundation of our country will be strong, the walls of your homes will be firm, and their ceilings high.

Prime Minister Interviewed on 1995 Budget

LD0403095995 Almaty Kazakhstan Television Network in Russian 1540 GMT 3 Mar 95

[Interview with Prime Minister Akezhan Qazhygeldin by unidentified correspondent in Almaty on 3 March—recorded]

[FBIS Translated Excerpt] [Correspondent] Prime Minister Akezhan Magzhanovich, I have several questions for you on the budget. Everyone is confident that the main principle on which the budget is based is a tough fiscal and credit policy. The budget deficit has been set at 3.29 percent, and the inflation rate at 40 percent. The first question is natural. Is your forecast realistic? Will it prove to be realistic by the end of the first six months of the year?

[Qazhygeldin] We did achieve what we wanted last year, especially in the second half. We definitely failed in the first half. Moreover, speaking honestly, we did not maintain a tough policy last year. What toughness? We gave targeted credits. The credits have not been paid back. No one went bankrupt. We have exacted the credits from no one. What toughness is this? It is very comfortable for everyone to be kind at the expense of the taxpayers, but the taxpayers will soon learn how to count their money. And they will make other demands on the deputies and the government. Perhaps then things will change a little. [passage omitted]

Inflation is completely in our hands. If we do not demand any additional money for the social sphere during this period of inflation, which is still high, it will

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be possible to curb inflation. If we push each other and allocate more money for social needs then inflation will remain high.

[Correspondent] When we set such figures, does it mean that production will decrease by, say, 40 percent and wages will fall?

[Qazhygeldin] Of course not. Production cannot decrease, because....

[Correspondent, interrupting] The press today is talking about it a lot. If the deficit is as given and the inflation ceiling is 40 percent....

[Qazhygeldin, interrupting] First, there will be a slump in the industries that have not found a place on the market: the defense industry and those sections of the light industry that have been producing huge volumes of unfinished products. This is inevitable. Unfortunately, the slump will continue in agriculture. I say unfortunately because this will give rise to unemployment, but it is not unfortunate as regards seeking the most efficient way of producing goods of sufficient quality and necessity for the market. Nevertheless, we will continue work on this sphere.

As for industrial production, particularly in the ore and mining and metallurgical industries, we are expecting some animation, which is already noticeable today, and we are expecting it will continue.

[Correspondent] And the last question, Akezhan Magzhanovich: Taxes are the main source of revenues to the budget. How soon will they be considered in parliament? And at what stage is the work on it now?

[Qazhygeldin] The most complicated issue about the 1995 budget is that we want to adopt a new tax code. In connection with this we have prepared a budget with two tables of main parameters; one is based on the old tax code and another on the new one. If the new tax code is adopted, in the second half of 1995 the new tax basis will be in effect. There is a risk. There could be a lack of revenues to the budget. The risk is serious. On the other hand, we can no longer continue the freeing of prices with the old taxation system. It is simply a tormenting burden. It prevents goods manufacturers, even those who are able, from being successful goods manufacturers. It suffocates them.

The parliament has approved the tax code in its first hearing, and I hope very much that we will have a new tax code by April.

Prospects for CIS Economic Union Explored

954F1567A Almaty PANORAMA in Russian 18, 25 Feb 95

[Article in two installments by Stanislav Urzhumov, vice president of the Congress of Kazakhstan Entrepreneurs and candidate of economic sciences, and Mirash Isenov, member of the executive committee of the Congress of Kazakhstan Entrepreneurs and candidate of economic sciences, under the rubric "Commonwealth": "The Process of Economic Integration Beginning in the Commonwealth Should Not Proceed Spontaneously"]

[FBIS Translated Text]

[No 7, 18 Feb p 8]

If we compare the economic achievements of the CIS with analogous indicators of the disintegrated Union, the results clearly will not be in favor of the former. It was within the CIS framework that a freefall decline of production took place and the social product shrunk sharply in all republics of the former USSR without exception. According to CIS Statistics Committee data, in 1993 as compared to 1990 this decline measured: in Armenia—63 percent, Georgia—71 percent, Russia—38 percent, Ukraine—37 percent, and Kazakhstan—33 percent. Only in Uzbekistan was the production decline less significant—14 percent.

Among the factors of the deep crisis in the CIS countries economies, two key points are usually emphasized: disintegration of the Union state and transition to the market. Within this, the greatest importance is attached to the break-up of economic ties. But is this desire to attribute all troubles to these causes not an exaggeration? It is true that economic interconnections among the former USSR republics had been much more intense than among the countries of the European Economic Community (EEC), which became a benchmark for us. Interrepublic exchange in the Union state comprised 20.5 percent of the gross national product as compared to 16 percent in the EEC.

Neither can we discount the extremely high degree of monopolization in the former USSR economy. For instance, almost 2,000 items were produced at one enterprise, and the proportional share of monopoly production in the machine-building complex accounted for 80 percent of the total production volume. In 209 of 344 aggregate commodity groups of industrial output, the share of one major producer-enterprise exceeded 50 percent of the total output of that particular product, and at 109 enterprises it reached 90 percent. At the same time, the State Planning Commission handled almost 60 percent of centrally distributed output, ministries and agencies—about 30 percent, and the State Committee for Material and Technical Supply—more than 10 percent.

Who kept the new state formations from establishing firm ties among themselves, this time on the new basis? Nobody but themselves. Why did decentralization, which had been presented almost as a saving remedy, suddenly turn into disintegration? These questions have deep meaning, since it is not yet understood everywhere that procrastination with respect to a breakthrough in the economic union may result in a further collapse of production and a more perceptible decline in the standard of living.

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At the time, politicians in almost all republics of the former USSR have managed to convince a considerable part of the population that, once separated, they will have a better and easier life. This ideological pressure is having an effect in Kazakhstan as well. What it all cost us and may still cost us in the future may be illustrated by the following facts.

Over the first half of 1994, as compared to the corresponding period of the preceding year, shipments of output of most items between the main partners—Kazakhstan and Russia—declined considerably. For instance, the volume of tractors, passenger car tires, and sodium tripolyphosphate exported to the Russian Federation declined by almost two-thirds; oil and gas condensate, natural gas, and grain—by half; rolled ferrous metals, calcium carbide, and alumina—by one-third. In turn, deliveries of mineral fertilizer from Russia practically stopped, the volume of oil and gas condensate shipped declined by almost 80 percent, of steel pipe—by half.

An analogous decline in mutual deliveries occurred with Ukraine. Deliveries of petroleum products there declined by 60 percent, rolled ferrous metals—by two-thirds, coal—by half, and refined copper—by one-third. At the same time, Ukraine sharply reduced the volume of exports of products needed by Kazakhstan's economy: ferroalloys, steel pipe, welding electrodes, and steel rope, and suspended completely deliveries of metallurgical coke, foundry iron, and a number of other products, especially in the machine-building category.

An analogous trade situation exists with other CIS countries as well. According to forecasts, if interrepublic contacts continue as they are, next year the CIS will lose 20-30 percent of internal trade even as compared to today's level.

Perhaps we make up for these losses through export-import operations with the far abroad? Not at all. For instance, Prime Minister Kazhegeldin recently said: "We are not being let in (that is, in the West), though we were poised to jump in three years ago. They do not want to let us into their market with our goods. Neither do they want to give us much money for fear that we will not pay it back. They promise to keep us in a state of hope and anticipation. If we sit and do nothing in this anticipation for another three years, we will quietly turn into a banana republic."

The road of radical revision of the entire attitude to world competition, international financial, scientific-technical, and information cooperation and participation in international economic organizations is still open to us, though—through the formation of integrated markets, free of the old (closed) national borders and numerous barriers. Skillful integration bears great benefits, but spontaneous integration promises several economic Chernobyls as its summary economic effect. Because the greater opening up of the national economy to the all-Union or, for instance, international market brings, in addition to internal economic market factors, the pressure of strong foreign economic competition. This means the necessity of structural restructuring of industry, equalizing the scientific-technical and industrial potential, improving the policy of price formation, and so on.

The creation and development of an economic union requires new approaches. Because there is the danger of bearing a twin of the integrated national-economic complex. In this connection a number of researchers and specialists note that the new economic space will resemble the integrated national-economic complex if it turns out that the list of spheres whose regulation requires interstate reconciliation is extensive.

Kazakhstan cannot accept just any conditions for the functioning of the economic union. A balanced price policy is of particular importance. This is necessitated first of all by the fact that raw materials and components are prevalent in the structure of exports, and therefore the republic loses quite a lot of revenue. While each tenge of saleable product produced in the coal industry decreases the republic's national income by 20.2 tiyns, in light industry, on the contrary, it increases it by 32.5 tiyns.

What is the way out of the vicious circle of price formation at the current stage? There are a number of opinions on this issue. The most widespread among them is to apply world prices within the new economic union. In our opinion, this is not quite correct, because if we look at the issue in-depth, it is not hard to see what a yoke awaits Kazakhstan in this case, since the republic exports raw materials and imports finished products. That is, if the republic shifts to world prices in trading with partners, it will end up with a negative balance. (By the way, at the end of the 1980's the Institute of Economics of the Siberian Branch of the Academy of Sciences of the former USSR calculated the balance of import and export of products in world prices for all Union republics. Only Russia and Turkmenistan had positive balances.)

There is also another opinion, which calls for increased exports. The greater difference between prices for raw materials in the domestic and external market is cited as justification. The difference is substantial, but has now leveled off since prices have approached the world level. Besides, we should not pin too much hope on exports. For instance, over the first half of 1994 we exported $670 million worth of products to the far abroad, or 46.4 percent of the total volume of exports. This translates into a little more than $40 worth of exports per capita in world prices, and on top of that these are exports of agricultural and raw materials, which depend to a great extent on price fluctuations in the world market and the weather. At the same time, the volume of imports considerably exceeds that of exports. Analysis of the actions of the governments of Chile, South Africa, Zambia, and other exporters of raw materials similar to those of Kazakhstan reveals the considerable efforts they

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had to apply to overcome the backward structure of export and to attract foreign technologies and capital. It is very risky today to be an exporter of raw materials.

Thus, what should be the optimal position in the question of prices, especially with respect to fuel and power generation and raw material resources? First, we should categorically reject the existing practice of the state setting fixed prices for the aforementioned categories of products. Second, preference should be given to contract prices with the purpose of bringing them as close as possible to the world level.

The difficulty is in determining the mechanism of forming an equivalent exchange between the republics. As is known, rising domestic prices in all post-Soviet republics deprived the partners of the ability to enter into long-term foreign trade deals and at the same time stimulated commodity-based ties. Suffice it to say that the proportional share of barter and clearing operations in Kazakhstan's exports comprised 37 percent, and 20 percent in imports. At the same time, unfortunately, Kazakhstan's barter deals in the majority of cases were not based on a balanced and equivalent exchange. This happened because of underpricing of exports, and not only because of insufficient competitiveness of the products but first of all because of poor knowledge of the state of the market and many exporters' desire to break into external markets at any cost. Meanwhile, the state continues all sorts of protective measures with respect to domestic exporters, especially when it comes to compulsory sale of their proceeds, as well as export and import duties on current deals. For instance, according to specialists' forecasts, the republic's state budget will not receive about $62 million due simply to preferences granted with respect to payment of customs duties to exporters of oil and nonferrous and ferrous metals, which amounts to almost one-quarter of the anticipated budget deficit in the current year.

[No 8, 25 Feb p 8]

It is obvious that the practice of letting anyone who so wishes to engage in export operations needs serious correction. And the correct thing to do in this direction would be to establish the strict rule that the right to independently export exportable products is granted to enterprises that produce goods and organizations that regularly win tenders (auctions) in sales of export quotas. In parallel, we should encourage in every possible way the creation of exporters unions in major categories of raw materials, within the framework of which a single price policy in the foreign market should be coordinated. We have to completely stop the practice of granting enterprises preferences in paying export- import tariffs and the compulsory sale of foreign currency proceeds.

Many discussions are going on around the question of credit provided to CIS countries, which Kazakhstani enterprises de facto commit by placing their money in foreign banks. In our opinion, the arguments of proponents of doing away with such credits are most convincing, since such savings only strengthen the financial standing of foreign banks. In such cases we should go by the rules followed by the rest of the world: place foreign currency in correspondent accounts of our banks operating abroad.

It would also be useful to conduct an audit of the activities of middleman joint enterprise that have accounts in near abroad banks. Such enterprises, while not producing any product for the domestic market, pay to other states in the form of taxes a considerable part of their profit in foreign currency. This is a direct loss of foreign currency resources.

Of course, the problem under consideration should not be limited to substantiating the need for an integrated economic union. No less complex and important is another problem: How should Kazakhstan actively influence the formation of such an economic union that would meet the interests of all its subjects? What should be the strategy and tactics of gaining distribution markets? And in general, whether Kazakhstan's transformation from an importer to exporter is possible.

For this, it is necessary as a first step to fundamentally reform the division of labor between republics, and overcome the raw material appendix nature of the republic economy. At the dawn of establishing a sovereign republic Nazarbayev said: "From now on Kazakhstan will never be a raw material appendix to anyone." Is this realistic? In keeping with the concept of socioeconomic development of Kazakhstan, the plan was to decisively overcome the imbalance by the year 2005 and liquidate deformities in the structure of the economy. The share of machine-building was envisaged to rise from 17.1 percent to 30.6 percent, and the proportional share of extraction sectors to be reduced from 14.7 to 12 percent. The share of domestic production in supplying the population's needs in nonfood items was envisaged to rise from 49.9 to 63.4 percent, and so on. This is a correct course. Meanwhile, however, the structure of the republic's economy is far from perfect. For instance, while the share of industry in the aggregate CIS social product comprises 61 percent, in the republic it comprises 48.3 percent.

Overall, the proportional share of the machine-building, light, and food processing industries comprises 46 percent in Kazakhstan, while in the Commonwealth as a whole this figure is 61 percent. Ours is the lowest indicator in the CIS. As to per capita production of light industry goods, we produce it 1.5 to two times less than most former USSR republics.

We clearly have an imbalance in the structure of the national economy, without correcting which it is impossible to claim the role of one of the leading republics in the integrated economic union. Of course, large investment is required, the attraction of foreign capital, conversion of VPK [military-industrial complex] enterprises, and so on. Work is being done in this direction, but very slowly. What is required today is a certain synchronization in the structure of administration inside the CIS.

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As is known, Kazakhstan retained only functional committees and agencies within the government structure. One would think that with the liquidation of ministries a crushing blow has been dealt to their monopolism. What was born instead, however, was a cumbersome system of administration: ministry—sectoral department—national joint-stock company—holding company—enterprise. One can hardly call this structure effective and expedient.

This is an option of foreign economic strategy, however, which should, in our deep conviction, bring success: We need to fill a certain sectoral (product) niche within the framework of the economic union. Let us illustrate this with the example of ferrous metallurgy.

The Karaganda Metallurgical Combine (KarMK) specialized mainly in the production of flat (sheet) rolled metal, including electrolytic tinplate, for the production of which (50 percent of the total volume of its output on the territory of the former USSR) it was built as a natural monopoly with the best technical and technological characteristics.

Now this enterprise is going through a deep crisis. Meanwhile, it is possible and necessary at least initially to pull the KarMK (and ferrous metallurgy as a whole) out of this crisis by creating a cartel, whereby a temporary agreement is entered into by completely independent enterprises for a period of up to five years, with the option of renewal. The cartel would include, in addition to the combine, mining and ore processing enterprises and coal enterprises, which supply raw materials and fuel. At the same time, with the state implementing a policy of setting base prices, stabilization of prices for coal, iron ore, and metallurgical products would be achieved, which de facto would serve as a very important part of the program of combating the crisis in the metallurgical industry as well as an instrument for gaining a distribution market for tinplate in the CIS and far abroad countries.

In the future the cartel may serve as a basis for closer integration and the formation of a conglomerate with a high degree of diversification of production under single financial control. In particular, through the creation of joint enterprises and multilateral scientific-technical cooperation with major producers of rolled ferrous metal in Russia—for instance, the Magnitogorsk metallurgical combine. A major study on the problem of competition in the world market conducted in the Harvard School of Business (United States) revealed, among other specificities of the modern stage, the following: Traditional coalitions and partnerships of the past, limited in scale and in many respects tactical in nature, are increasingly being replaced by new, strategic ones that link the main competitors in a fundamental way. It is believed that leading industrial countries' companies, capable of creating effective partnership with one another, will succeed best in competition.

And finally, the formation of transnational companies (TNK), which in conditions of globalization of the market and competition create matching global systems in R&D, testing, and design work, production, marketing, distribution, and service. It is this kind of form that defines the economic appearance of the country and makes the greatest contribution to its success.

Probably one of the sorest spots in the process of forming the new economic union will inevitably be the question of mutual clearing in interstate trade. In this connection today we already need a substantial correction of actions in this area. We see the creation of a special interstate bank for mutual clearing and reimbursement of credit as one of the necessary steps. Especially considering that, according to the statements of top officials of the Russian Government, the current Interstate Economic Committee will not under any circumstances become an instrument of transfer of resources from Russia to near abroad countries. Moscow firmly emphasizes that credit must be provided by Russia to CIS countries only on a strictly repayable basis and only if real sources of repayment exist. From now on, no products will be shipped without prepayment.

Of course, in the process of expanding mutual trade, difficulties with payments will still continue to arise. And, as practice has shown, at this stage the emphasis should be on commercial structures and businessmen who can purchase the needed products at equivalent cost. At the same time, as we see it, payment guarantees at state level must be issued for all shipments of goods within the CIS that first of all affect the vital needs of the population. And in terms of filling it with real content, the economic union requires much greater involvement on the part of the republic's entrepreneurial sector.

Restoring new economic ties requires revising and amending the activities of entrepreneurial structures and defining new priorities in their activities. In our opinion, today the priority direction in the work of the executive committee of the Congress of Kazakhstan Entrepreneurs and all organizations of entrepreneurs should be the following: working out practical interaction in the resolution of problems of restoring economic ties; bringing the monetary circulation system to recovery; support and stabilization of industrial production; and organizing a reciprocal information flow between associations of entrepreneurs represented in the international congress. Work should be intensified on removing obstacles in the area of bringing order to payments at the interstate level.

And something else. With the purpose of strengthening the main mechanisms of support for economic ties between Commonwealth states, regions, and sectors, we think it expedient to organize on an entrepreneurial basis interstate entrepreneurial associations: agencies, centers, holding and transnational companies, and other structures. For instance, among the main categories of agencies' activities could be participating in the implementation of intergovernment treaties and agreements on mutual deliveries by establishing direct contract relations between interested enterprises and organizations,

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and forming stable economic transnational ties on the basis of lateral partner relations.

New Political Party To Back Nazarbayev

954F1613A Almaty SOVETY KAZAKHSTANA in Russian 1 Mar 95 p 1

[Article by Gulmira Nurgazinova under the rubric "Political Orbit": "The New Party Will Support the Current Head of State at the Upcoming Elections"]

[FBIS Translated Text] **At the 1996 presidential elections the new political party—the Party of Popular Unity of Kazakhstan (PNEK)—will support N. Nazarbayev. Its leader and central committee chairman Kuanysh Sultanov made a statement to this effect to journalists at a press conference.**

Answering the question of members of the mass media, he also said that the transformation of the SNEK [Union of Popular Unity of Kazakhstan] movement into a party became necessary in order to define more clearly the public association's rules and program, strengthen discipline among its members, and actively participate in the upcoming presidential elections.

By the way, part of the SNEK movement has formed a party of a democratic order, which, according to K. Sultanov, differs from the PNEK in tactics. Enumerating the main program points, he emphasized that the PNEK, similar to other parties, is concerned first and foremost with the fate of economic reforms, legal development of the state, and social stability in Kazakhstan.

The party devotes particular attention to the problem of law enforcement, suppression of organized crime, and corruption in state organs. The road of dealing with these tasks, in the opinion of Yuriy Kim, member of the PNEK bureau and chairman of the parliamentary committee on the questions of organizational development of the state and regional policy, goes through the supreme representative body: putting together a legislative base for changes in law enforcement organs.

The journalists also inquired about the funds that will pay for the new party's operations. As it turns out, it is first of all money from sponsors, among which may be both commercial and noncommercial structures. The initiation fee—1 percent of average monthly income—will be contributed on a voluntary basis, depending on the party member's financial well-being.

As is known, the SNEK was considered an association of "nomenklatura and administrators." There are no officials, except deputies, among the new party's staff. Neither is the president, who was SNEK's leader, a member. As announced to journalists, the head of state is outside political parties and public associations. However, the party intends to support him in the elections, since it believes that at this point, when the republic is strengthening its sovereignty and has begun its entry into the world community, there is no alternative to the authoritative politician Nazarbayev.

Kyrgyzstan

President Stresses Tolerance on Muslim Holiday

LD0303141095 Bishkek Kyrgyz Radio First Program Network in Russian 0600 GMT 3 Feb 95

[FBIS Translated Text] We are broadcasting the congratulations from Askar Akayev, president of the Kyrgyz Republic:

Dear compatriots! Dear Muslims! On 3 March 1995 the Muslims of Kyrgyzstan celebrate one of their most important religious holidays, Orazo Ait ['Id al-Fitr].

The celebration goes back to the year 622 and relates to the sacred Mohammad's move from Mecca to Medina during Ramadan. It is celebrated on the first day after Ramadan, during which Muslims confess Allah, purge body and soul, perform good deeds, and call for tolerance, accord, and peace in society. Orazo Ait is a holiday of respect, service, and all-forgiveness.

It is a radiant religious date which is traditionally marked by all of the Kyrgyz people. In the conditions of the transitional period, as they search for spiritual values, people turn to moral foundations and moral potentials laid down in simple and absolute truths such as kindness and justice, respect for each other and for neighbors, and fortitude in facing the burdens of life and misfortune.

Strengthening independence and the principles of democracy are inseparably linked with the revival of popular traditions. Study and research into these brings moral self-cleansing for each of us and ennobles our intentions and actions. The contribution made by the representatives of Islam in preserving peace and cooperation between various religions, their tolerance and goodwill serve as a model for interconfessional accord and interdependence of society as a whole on the threshold of the 21st century.

Dear compatriots! On the day of the Orazo Ait holiday, accept my congratulations and wishes of good health, happiness, and prosperity.

[Signed] President of the Kyrgyz Republic, Askar Akayev.

Report on Increased Drug Trafficking

LD0403135395 Bishkek SLOVO KYRGYZSTANA in Russian 1 Mar 95 p 2

[Report by A. Zelichenko, deputy chairman of the Kyrgyz State Commission on Drugs Control]

[FBIS Translated Text] At the drugs crossroads: Colombia, Bolivia, Peru. Kyrgyzstan?

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Sometimes stark figures show the situation better than any words do. In 1991 1,150 drug-related crimes were discovered (909 in 1990) in Kyrgyzstan; in 1992 there were 1,901 (up 65.3 percent); 2,145 (up 244) in 1993; and 2,544 in 1994! Every fourteenth crime committed in the republic today is directly connected with the confiscation of drugs.

And more statistics: Eighty percent of mentally retarded people in Kyrgyzstan are the children of alcoholics and drug abusers; 54 percent of teenagers living in Chuy Region experiment with drugs, and 12 percent use drugs systematically. This year three times as many people went to see private doctors and hospitals because of their passion for drugs. This is despite the fact that the majority of the treatment requires payment!

The real explosion in drug addiction, a kind of pandemic, has taken place in the towns. For example, cases in industrial Tokmak last year increased 10 times and reached 128 per 100,000 of population in comparison with 1992. In Bishkek this figure is 33.7; 21.8 in Osh; and 20.4 in Chuy Region.

What is the cause of such a swift worsening of the drugs situation in the region? Why is Kyrgyzstan now frequently called the Central Asian Columbia?

This situation is caused by a number of social, geopolitical, and economic factors. Among them, above all, is the presence of a vast raw material base for hashish drug addiction: wild hemp, the opening of new channels for drugs from abroad, the turning of Kyrgyzstan into a transit republic, the increase in demand for drugs, and the attraction of people into the drug business due to the worsening socioeconomic situation.

According to various estimates, 60,000 hectares are covered in wild hemp. Unlike the infamous Kazakh side of the Chuy Valley, where it stands like a solid wall on 138,000 hectares, the Kyrgyz grass grows locally around sheepfolds, among cereals, along rivers and channels, along roads, and in parks and squares. If the Kazakhs can use herbicides, then we can use, for quite understandable reasons, only two ways of destroying the wild plants: mechanical and physical, to use scientific terminology.

The first one is ploughing the areas affected by the hemp, and the second is weeding or mowing it. Both ways are ineffective. Very soon the weed grows again, and it cannot be helped, as the saying goes. If one takes into account that over 60 percent of registered drug addicts are consumers of hashish and the indisputable fact that "our own" drug is in keen demand far beyond the Kyrgyz borders, it becomes evident that this business is quite profitable at the expense of other people's health. It is no coincidence that in the course of last year's campaign militia officials detained 127 residents of the near abroad harvesting hemp; and the appearance of hashish and marijuana, "made in Kyrgyzstan," has been discovered in Germany and 78 places in the CIS.

One more problem recently appeared which worsens the drug situation: the increasing supplies of Afghan opium smuggled via the Gorno-Badakhshan autonomous region of Tajikistan to the south of Kyrgyzstan, Russia, the Baltic, and the countries of the far abroad.

An acknowledged supplier of opium to the black market, Afghanistan produces up to 2,000 tonnes annually, according to the UN international committee for drug control. The drug traditionally went via Iran to Turkey and from there to Europe by sea. It continued in this way for rather a long time until Iran abruptly changed its policy of fighting drug addiction and introduced draconian measures against the Mafia several years ago. Then the search for new routes for the opium started.

The drug enters the republic in the south along the Osh-Khorog highway, known as the "sky route." In 1991 some 3.5 kg of poison were confiscated in Kyrgyzstan; in 1992 it was five kg; in 1993 - 153 kg in 1993; and over half a tonne, two-thirds of it in Osh, last year. According to the special services, up to 100 kg of poison is brought here daily!

The contraband is brought here in oil tanks and disguised among goods; and almost any parts and mechanisms of cars are used for this purpose. The drugs businessmen skillfully avoid customs posts, covering forces and militia ambushes on the mountain paths. Interpol experts consider "the Kyrgyz corridor" to be the most promising for the drugs Mafia. The worsening of the situation may lead in 1995 to the use of the Kyrgyz section of the Karakaram highway which connects China, Kazakhstan, Tajikistan, Uzbekistan, Kyrgyzstan, Afghanistan, Pakistan, and Iran. The smugglers will certainly try to gain control of the route.

As is well known, the disintegration of the economy, unemployment, the drop in living standards, and lack of confidence in the future promote the growth of drug addiction and the drugs business. This tendency has been confirmed in Osh Region as well: 84 percent of drugs-related crimes registered here in 1994 were committed by local inhabitants, 86 percent of whom were unemployed; 78 percent of those detained were of the most ablebodied age group—from 18 to 50.

It is necessary to mention two more facts affecting the drugs situation inside the republic without going outside it (thank God!): There are vast thickets of horsetail ephedra, out of which the local drug addicts synthesize ephedrin. In the early 1990's 500 tonnes of it was harvested annually for the pharmaceutical industry! Between 1991 and 1994 about 44 underground laboratories producing ephedrin were rendered harmless in the republic.

Growing drug-containing plants is gradually becoming one of the most stable sources of profit in Kyrgyzstan. In 1990 only four criminally punishable cases of their cultivation were discovered; 29 in 1991; 158 in 1992; and 229 in 1993! (An insignificant decrease last year was connected with the growth in the smuggling of Afghan

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opium.) On the whole opium poppies are grown. Previously it was on small plots carefully masked in the mountains or among crops, but today more often than not they are being planted on personal plots, in kitchen gardens, and in front of houses. In July 1993 "a vegetable patch" of 10,000 bushes was found in the yard of a certain Kubatin right in the center of Bishkek!

Kyrgyzstan is conducting an active antidrugs policy which has been suitably appraised by the world community. As far back as 1991 here, for the first time in the former USSR, an independent service for fighting the drugs business was founded, and in 1993 a Kyrgyz government state commission on drugs control was formed. In 1994 the republic joined the three well-known antidrug UN conventions of 1961, 1971, 1988 and adopted a national program for fighting drugs and their illegal circulation.

We actively cooperate with international organizations by working on a number of joint projects. The implementation of one of these, together with the UN international program on drugs control, has already brought Kyrgyzstan tangible aid. But we still cannot be optimistic.

Tajikistan

Details of Russian-Tajik Economic Agreements

LD0403121395 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 3 Mar 95

[FBIS Translated Text] On 27 February, on the instruction of Emomali Rakhmanov, the president of the Republic of Tajikistan, a Republic of Tajikistan delegation, led by Tajik Prime Minister Dzhamshed Karimov, held talks in Moscow with the Russian Federation Government, led by the Russian Prime Minister Viktor Chernomyrdin.

An agreement was signed between the government of the Republic of Tajikistan and the government of the Russian Federation on deepening economic cooperation and developing integration relations. The agreement takes into account the historically created firm and comprehensive relations between the Republic of Tajikistan and the Russian Federation. At the same time, the complicated situation that has arisen in the monetary system of the Republic of Tajikistan, the lack of cash, and the insufficient utilization of the economic potential of the Republic of Tajikistan for broadening export opportunities was noted. Recognizing the expediency of the further development and consolidation of bilateral integration links and striving to give new quality to their relations, the sides agreed that the Russian Federation will effectively help strengthen the economic potential and monetary system of the Republic of Tajikistan.

In its turn, the Republic of Tajikistan will regulate the main areas of further development and the process of the economic reforms for creating a common market with the Russian Federation, based on the free movement of goods, services, capital, and labor. Cooperation and integration links will be restored and strengthened. In order to accelerate the stabilization of the economy of the Republic of Tajikistan on the basis of the maximum utilization of its export potential, the Russian Federation will give Tajikistan comprehensive technical assistance. Within the framework of the implementation of this part of the agreement, in the first quarter of 1995 a group of advisers on economic, financial, and other issues will be sent to the Republic of Tajikistan to carry out the necessary work on deepening the integration of the two countries and restoring the work of enterprises of the Republic of Tajikistan in producing competitive export goods.

The Russian Federation will provide state support for the delivery of material and technical resources and foodstuffs to the Republic of Tajikistan. For its turn, with the aim of contributing to timely payments for products supplied from the Russian Federation, the Tajik side will give state support by sending to the Russian Federation internal market Tajikistan's exportable goods.

The Russian Federation and the Republic of Tajikistan will create the necessary conditions for joint investment activities, the implementation of projects of mutual interest, and the formation of transnational financial and industrial groups. The sides will make joint efforts to complete the construction of vitally important structures and sites.

The Russian Federation and the Republic of Tajikistan will take agreed measures to regulate emigration processes, including the free transfer of the citizens on the territory of both countries, to protect their civil, social, and property rights, and render assistance to refugees and forced emigrants.

Together with this agreement, a protocol was signed during the talks between the government of the Republic of Tajikistan and the National Bank of the Republic of Tajikistan and the government of the Russian Federation and the Central Bank of the Russian Federation on continuing the circulation of the Russian ruble as legal tender on the territory of the Republic of Tajikistan. This protocol was signed on the basis of the understanding by the Russian Federation of the urgent need for assistance in supplying the Republic of Tajikistan with cash.

In accordance with this protocol, in 1995 the use of cash Russian rubles as legal tender is preserved on the territory of the Republic of Tajikistan. It was decided that no less than 50 percent of the receipts entering the corresponding account of the National Bank of the Republic of Tajikistan in the Central Bank of the Russian Federation from the sale of exports will be transferred in Russian rubles in cash to the National Bank of the Republic of Tajikistan with the right to export them to the Republic of Tajikistan.

In case of extreme necessity if there is a shortage of cash Russian rubles, the Republic of Tajikistan has the right

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to tackle the issue of introducing into circulation its own monetary unit on the territory of the Republic of Tajikistan. The Russian Federation granted a postponement until 1 February 1996, for the Tajik side to fulfill its obligation to repay the state credit connected to the allocation to the Republic of Tajikistan of cash in Russian rubles in 1994.

In addition, in accordance with the protocol signed, the government of the Russian Federation will supply the Republic of Tajikistan with additional deliveries of fuel and lubricants, mineral fertilizers, agricultural equipment. and spare parts on account for the mutual deliveries planned for 1995, with subsequent payment for them with the funds entering the corresponding account of the National Bank of the Republic of Tajikistan in the Russian Federation.

The signed documents create the preconditions for paying wages, pensions, and other payments to the population in the near future, and also for the resumption of the work of industrial, agricultural, and other enterprises of the Republic of Tajikistan.

Rakhmanov Calls for National Reconciliation

LD0303131195 Moscow INTERFAX in English 1123 GMT 3 Mar 95

[FBIS Transcribed Text] DUSHANBE, Mar 3 (Interfax) President Emomali Rakhmanov of Tajikistan has called on his fellow Tajiks to put an end to hostility and achieve peace and national reconciliation.

"I am asking the Most High to send happiness and wealth to each home, and peace, calm and prosperity to the land of Tajikistan", Rakhmanov said. He was speaking on television Thursday [2 March] as Ramadan (Muslim festival—IF note) ended on March 2.

Rakhmanov said that in spite of the biased coverage of the Tajik government's policy towards religion the country's ties with Muslim countries were expanding. Rakhmanov thanked the leaders of Muslim countries for their sincere participation in efforts to restore stability, peace and prosperity to Tajikistan.

Rakhmanov said that the law on freedom of conscience and on religious associations in Tajikistan, adopted at the end of last year, opened up great opportunities for all religions, including Islam. Rakhmanov recalled that about 2,000 Tajiks made pilgrimages to holy Muslim shrines last year.

Many mosques in Tajikistan held prayers on March 3 ending with the call for the mutual forgiveness of sins.

Opposition Refuses To Recognize Election Results

LD0303155195 Moscow INTERFAX in English 1458 GMt 3 Mar 95

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov and Andrey Petrovskiy and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Moscow supports and protects Tajik President Emomali Rakhmanov with its armed forces, a deputy chairman of the Islamic Revival Movement, Akbar Turajonzoda, said in an exclusive interview with Interfax Friday [3 March]. He emphasized that the Tajik opposition does not recognize the returns of the February 26 parliamentary elections.

During the elections, the republic's citizens were deprived of the freedom of expression, because the opposition press, parties and movements were banned, he said. "The regime that came to power in an armed way, is now trying to legitimize its existence with the elections," he added.

"The Moslem opposition does not seek power in the republic, we propose it be transferred to a state council to include impartial persons as well as representatives from the opposition and the current authorities," he said.

Turajonzoda believes it is necessary to include a special article in the Constitution to prevent the emergence of a theocratic or communist state in Tajikistan, grant freedom to the mass media and introduce private ownership.

"The elections of the president and parliament and the adoption of a new constitution only after normal conditions are created in the country for refugee repatriation and activities by political parties and the press," Turajonzoda said. "However, the opposition will not recognize the elections returns and will not take part until the conditions are met," he stated.

"The current regime did not allow even Abdullojonov (Rakhmanov's former rival at the November 1994 presidential elections—IF note) to be nominated at the parliamentary elections," he added.

"The situation in Tajikistan will not normalize until Moscow understands that it is impossible to support Rakhmanov with Russian troops for a long time, and it is necessary to maintain productive talks and fulfil achieved decisions," Turajonzoda said.

Whether the fourth round of Tajik talks will be held in Moscow depends on the fulfillment of agreements already reached, he added. "The presidential and parliamentary elections in Tajikistan represent a breach of the agreements that the opposition and Dushanbe reached as far back as at the first round of talks," he emphasized.

Turajonzoda remarked that Russian border guards never recognized the agreement on temporary cease-fire on the Tajik-Afghan border and inside the republic signed in Tehran on September 17, 1994. He quoted the commander of Russian troops in Tajikistan, Anatoliy Chechulin, as saying in January 1995 that the agreement ran counter to the Russian-Tajik treaty on the joint guard of the border.

"We do not repudiate talks in general and are ready to hold them in any city of the CIS. For its part, Moscow must respect agreements already reached and promote

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their implementation, otherwise why do we have to negotiate at all?" Turajonzoda stated.

Uzbekistan

Radio Liberty Accused of Kindling Instability

LD0403140695 Tashkent KHALQ SOZI in Uzbek 3 Mar 95 p 3

[Article by Ibrahim Normatov under the rubric: "Without biased ideas... or a reply to fiction from Radio Liberty"]

[FBIS Translated Excerpt] [Passage omitted]

In the end, as the Most High willed, the empire that kept the whole world in awe collapsed and the sun rose over us; we achieved independence. With the advent of independence solutions began to be found for the constant flow of problems that Radio Liberty used to shout about: The number of mosques has been increased, a broad path was opened for the revival of religion and national values, and now our statehood is beginning to stand on its own two feet. And no work is left for this radio station now. But we were wrong—it is still working. The very rumor that this station's programs might be reduced or staff made redundant vanished into thin air. Moreover, its center was moved from Munich to a place closer to the newly independent states [Prague].

We wondered what the station was going to do if the empire had already collapsed.

Listening to Liberty's programs over the last year or two I have come to the conclusion that it still harps on the same string. Only the form has changed. If before it used to say that the Uzbeks were discriminated against in the USSR, now it has changed its tune and says that Russians are being discriminated against in Uzbekistan, pouring oil on the flames.

Yet the source of such ill-intentioned programs is close at hand—it is the Russian "democratic" press. The fact that Russians are "running away" and not just moving from Uzbekistan is extracted for some reason not from the place of the incident, but from newspapers like MOSKOVSKIY KOMSOMOLETS, KOMSOMOLSKAYA PRAVDA, SEGODNYA, and NEZAVISIMAYA GAZETA, which bemoan the empire "pulled down" by Liberty.

As for proof let us take, for example, in Liberty's program on 6 February 1995, the following words of an interpreter and poet of the "Moscow partner" who made treason his occupation: "Irina Gribova, a correspondent of SEGODNYA newspaper published an article entitled "Why Russians run away from Uzbekistan." This topic has naturally become the focus of attention of the Russian press. There is a reason for why the Russian press has paid attention to this. The nature of a human being is such that he will never leave the place where he has lived for a long time if it is peaceful and good." Perhaps, this was not the idea of the paper but most likely of its "Moscow partner." We just want to edit these words a little and say that the peace of one's homeland is one thing, but a worthy man should never be ungrateful. We will carry on listening to the radio: "People who flee the republic are selling their homes and property for next to nothing. And they do not even know where they will find refuge. They only think of how to take to their heels." The question is why. The author said: "The reason is not nationalism." According to him there is an "information blockade." A thirst for information—that is what has forced them to flee the country. Then what is it that forced people to flee Russia for the USA, Israel, Germany, and other countries? Why did Liberty, which causes a sensation over the fact that people are fleeing Uzbekistan, not say even a word about this?

People of every nationality, at some point, want to live in the country of their ancestors.

Is migration not a natural process? People move from one country to another.

But the interesting thing is that the radio does not mention those who first fled the country but returned after not being able to stand living conditions there.

Let us return to the previous conversation about the "information blockade": "Apart from the republican press, the only Russian press there are the communist TRUD and RABOCHAYA TRIBUNA newspapers." Fancy that, MOSKOVSKIY KOMSOMOLETS, KOMSOMOLSKAYA PRAVDA, and many other papers like that, which cannot forget the former communist empire, can still be a source for Liberty that was always "destroying" the empire, but TRUD, being a "communist paper," suits Uzbekistan's politics. First of all, it was never a Communist Party publication. Second, people from Liberty and its "Moscow Partner" are making a mistake by not reading this newspaper, because it may also serve as a "credible source" for some radios. [passage omitted]

Normally, people whose very life is under threat of dangerous events will abandon their property and be described as refugees. What stampede are we talking about if the political and social situation is stable in Uzbekistan, if peace and stability rule everywhere, and the broad rights of representatives of all different nationalities are guaranteed by law? After all, Russians and Russian-speaking people are leaving. They are selling their houses for currency in free circulation without any problems, putting their property in containers, and saying goodbye to their friends, including Uzbek friends. The Liberty-like media, which makes profits a principle, is deliberately trying to misrepresent these facts.

While preparing programs in Russian it appears that Liberty is using the help of some other "partners," and their meaning acquires quite a terrifying nuance when the comments from partner poets and reasons even more

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groundless than allegations of an "information blockade" begin to come to light: It appears that the reason why people are fleeing their homes in sunny Uzbekistan is that nationalist feelings have allegedly been growing and representatives of ethnic minorities had become panic-stricken in fear of their lives and the lives of their children. "The Russian-speaking population cannot protect itself from the rude tyranny of various officials. In most cases they are among the first to lose their jobs and they are paid less than anyone else." Even the mere thought of such a myth that wages for people in Uzbekistan are being set on the basis of nationality had never ever visited people in their wildest dreams. It is extremely doubtful.

In order to win the trust of its listeners in a myth like this, and also to undermine the republic's stability, Liberty resorts to the help of representatives of some opposition groups. In the dangerous situation, which has resulted from disorder among Russian democratic groups over events in Chechnya, one of our "opposition" leaders called Russian democrats for help by saying: "The experience of the Russian democrats should play an educational role for us in the development of democracy in Uzbekistan." Some time ago Tajikistan and Georgia democrats used to send messages of similar content, too. Everyone knows what the result was of such "appeals."

Here is part of an appeal from one of the "opposition democrats": "Our Russian democrat friends, when you speak about the rights of Russians in Uzbekistan and Tajikistan feel free to include Uzbek, Tajik, and Karakalpak rights as well. Do interfere in the internal affairs in this particular matter, because human rights are not the internal affairs of any country." Pay attention to the last sentence. On 27 December last year, while the attention of the world media was focused on covering the events in Chechnya, Liberty's Uzbek section gave much attention to a ballyhoo over a statement that calls on Russian democrats to interfere in Uzbekistan's internal affairs.

In a word, there are lots of people who absolutely detest social and political stability in Uzbekistan. [passage omitted: the author raises hopes for more reliable and neutral information from Radio Liberty]

Karimov Arrives for Meeting on Aral Sea

LD0303144595 Tashkent Radio Tashkent Network in Uzbek 1000 GMT 3 Feb 95

[FBIS Translated Text] [Announcer] Muhammad Sharif, special correspondent of the Uzbekistan national information agency, reports from Tashauz, Turkmenistan:

[Sharif] The head of our country, Islam Karimov, was met at the town's airport, which is decorated with the flags of the five states of Central Asia, by Turkmen President Saparmurad Niyazov. Girls in national costume presented flowers to our president.

As is known, the head of our country is paying particular attention to overcoming the Aral Sea disaster, which has become a common illness of the population of Central Asia. Islam Karimov has several times noted from the tribunes of such authoritative organizations as the United Nations and the Organization for Security and Cooperation in Europe, that the problem of saving the Aral Sea and restoring the ecological balance in this region has already gained international significance. The work of the inter-governmental council for the problems of the Aral Sea, allocation of money to the international Aral Sea fund, and other questions will be discussed at the meeting of heads of state of Central Asian countries in Tashauz.

Deputy Prime Minister Ismail Jurabekov; Ubbiniyaz Ashirbekov, Supreme Council chairman of the Republic of Karakalpakstan; Jumaniyozov, head of Khorezm regional administration; and other officials are accompanying our president during the visit.

Campaign Under Way To Keep Karimov in Office

LD0403150395 Moscow INTERFAX in English 1440 GMT 4 Mar 95

[FBIS Transcribed Text] TASHKENT, Mar 4 (Interfax)—A massive campaign has got underway in Uzbekistan in support of a referendum on keeping President Islam Karimov in office until the year 2000.

On Saturday, most republican factories and offices held officially sanctioned meetings with speakers voiced support for Karimov's home and foreign policies. [sentence as received] As an Interfax correspondent reports, at virtually all these rallies, citizens were urged to vote at a referendum for giving Karimov extended powers.

According to the official view, a referendum would be tantamount to new presidential elections in Uzbekistan. However, since Karimov were the only candidate, it would raise his chance to remain president.

People's Democratic Party Leader Outlines Tasks

LD0303151895 Tashkent OZBEKISTAN OVOZI in Uzbek 1 Mar 95 p 1

[FBIS Translated Excerpt] The tasks of People's Democratic Party of Uzbekistan [PDPU] organizations arising from the speech by Uzbekistan's President Islam Karimov at the first session of the republic's Supreme Assembly: The speech by Abdulhafiz Jalolov, first secretary of the Central Council of the PDPU, at the 14th plenum of the Central Council.

These days we all are living under the great influence of the huge political events which have taken place in the life of our country. The first session of the Supreme Assembly—the highest legislative institution of Uzbekistan's state power—has for the first time been formed as a result of multiparty democratic elections. [passage omitted]

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The tasks of the PDPU in the field of parliamentary activities are:

—to use the skills of parliamentary activities, to initiate the activities of our party's deputy faction;

—to coordinate the activities of our deputies in the committees and commissions of the Supreme Assembly, to provide assistance to our deputy factions in local councils, to set up specific relations with similar foreign parties and their parliamentary factions, to cooperate and to study their experience;

—to organize the regular training of our party deputies at every level;

—to work out a program for Uzbekistan at the start of the new century, and actively to participate in its introduction;

—to work out a draft law on political parties and to come forward with the initiative of adopting it;

—actively to participate in creating a system of laws on political, social, economic, and moral life, and issues concerning the status and activities of public organizations and guaranteeing citizens peace, and especially in making a fruitful contribution to developing a law on leasing agricultural land and speeding up their approval etc. [passage omitted]

Again paying attention to the basic results of the elections to the Supreme Assembly and to the local councils of people's deputies held on 25 December 1994, formulating political conclusions and learning lessons from them on the basis of an analysis of our party's activities is of important significance now for the successful fulfillment of the above tasks, especially for the successful conduct of the upcoming referendum [on extending president's term of office]. [passage omitted]

We know the general results of the elections: A total of 69 persons have been elected deputies to the republic's Supreme Assembly from our party. This is 28 percent of the total number of deputies in the parliament. About 37 percent of deputies are representatives of the PDPU in the Supreme Council of the Republic of Karakalpakistan and in the regional councils of people's deputies. The figure for district and city councils is 48 percent.

According to the results of the elections to the Supreme Assembly the best results were achieved by party organizations in the city of Tashkent and Surkhandarya region. In the Tashkent constituencies 13 deputies, or 45 percent of all our candidates, were elected. In Surkhandarya region 6 deputies were elected from 11 candidates, in other words 54.5 percent of them won.

Our party's participation in the election of members of local state body representative establishments was not bad. Of all deputies elected in Surkhandarya region—65.5 percent, in Syrdarya Region 59 percent, in Karakalpakistan 46.5 percent, in Tashkent 45 percent, and in Kashkadarya 44 percent—are representatives of the PDPU. About half of all deputies elected to district and city councils, in other words 2,860 people, are registered in our party. And here also the local party organizations are the best. In Surkhandarya region our party's candidates won more than 75 percent of all deputy posts in local district and city councils of people deputies; in Kashkadarya Region—74.5 percent; in Karakalpakistan—56 percent, and in Syrdarya region the figure is 53.5 percent.

But not confining ourselves to successes, it is important to thoroughly analyze the mistakes and shortcomings permitted during the campaign and explain their reasons and learn the appropriate lessons.

It is a pity that the result of the elections in some regions, cities, and districts were not joyful. For instance, among the deputies elected from our party list to parliament there are two representatives from Bukhara region, there is one deputy each from Navoy and Khorezm regions. [passage omitted]

The elections which took place have not only changed the social situation in our country, but it has seriously changed the status of the PDPU in public life as well.

From now on, the main form of our party's activities in bringing our program ideas to life will be parliamentary affairs. In other words, our party will form and steadfastly put forward—at the Supreme Assembly and through our official factions in local bodies of state power—its own point of view on the ways to solve the problems facing independent Uzbekistan.

With your permission, I would like to dwell on our official faction which is registered at this session of our country's parliament. It has unified deputies who were elected from the PDPU and nonparty deputies. Although our faction is not large in quantity, it is sufficiently capable from the point of view of its structural quality.

The task is to reasonably utilize this force and capability. [passage omitted]

An analysis of the party's budget in 1994 shows that the party's financial situation is quite stable. Income was 21,392,000 soms and expenditure was 18,764,000 soms. It is proposed to approve a revenue section of 42,674,000 soms and expenditure section of 43,480,000 soms in the 1995 draft budget. In this case the budget deficit will be 1,076,400 soms or 2.5 percent. [passage omitted]

So, radical economic, political, and cultural reconstruction is taking place throughout our native land which has decisively undertaken to find its suitable place in the

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present world. The elections to the Supreme Assembly and to the local councils of people's deputies were an important step along this road.

The elections showed that the PDPU, which has stood on its own feet within a short period, is turning into an influential force in our society. Our party achieved this due to its advanced ideas, a policy which is harmonious to the reform policy and people's interests, and good practical work. In order to justify the preelection trust of our people it is necessary to organize the activities of our party in the spirit of present day requirements and the opportunities that we have democratically achieved—our participation in the work of the parliament and the representative bodies of local powers, and to fruitfully use our noble aims and fruitfully implement our preelection promises in life.

If we proceed from the current sociopolitical situation in our country, the most important tasks which face us are mainly these.

Concern Voiced at Drug Trafficking Via Republic

MM0303131295 Moscow ROSSIYSKAYA GAZETA in Russian 2 Mar 95 First Edition p 6

[Unattributed report from ROSSIYSKAYA GAZETA, ITAR-TASS, and INTERFAX column: "Drugs Mafia Opens Up CIS"]

[FBIS Translated Text] The International Drugs Control Committee is concerned about the unstable situation in a number of the former Soviet republics of Central Asia and the Caucasus and the use of their territories for drugs transit. This was said in Tashkent by Arkadius Meydzhik [name as transliterated], the International Drugs Control Committee's permanent representative in Uzbekistan.

In 1994 two particularly large consignments of drugs—14 tonnes of marijuana en route to the Netherlands and one tonne of marijuana destined for Turkey—were stopped in Uzbekistan, whose territory is being used for the transit of drugs from Afghanistan and Pakistan to Europe.

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Armenia

OSCE Official Holds Discussions on Karabakh

NC0403235995 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0902 GMT 4 Mar 95

[FBIS Transcribed Text] Yerevan ("AZG", "HAYASTANI HANRAPETUTYUN" dailies), 03/04/95—U.S. representative to the OSCE Joseph Pressel arrived from Baku to Yerevan on March 3, and met RA [Republic of Armenia] Foreign Minister Vahan Papazyan. Counselor of the RMK [Republic of Mountainous Karabakh] Foreign Ministry Manvel Sargsyan said, Mr. Pressel plans to visit Karabakh on March 5, to meet leaders of the republic.

"HAYASTANI HANRAPETUTYUN" reports that Papazyan and Pressel discussed a number of problems concerning political resolution of the Karabakh conflict. Particularly, they discussed possible ways out from dead end at the first stage of recent negotiations in Moscow. Deputy Foreign Minister Vardan Oskanyan, U.S. Ambassador to Armenia Harry Gilmore, the employees of Foreign Ministry and the embassy also participated in the meeting.

Meanwhile Baku declared that despite efforts of the Azeri side, Joseph Pressel refrained from discussing the problem of liberating Lachin and Shusha. He declared in Baku that the status of a side of the conflict should be assigned to Mountainous Karabakh. He added that Washington is not going to send its troops within peacemaking forces, and will limit itself to financial-technical support.

Deputy Foreign Minister Appears at UN Hearings

NC0503102095 Yerevan SNARK in English 1709 GMT 1 Mar 95

[FBIS Transcribed Text] Geneva, March 1 (SNARK)—Today, Vardan Oskanyan, the Armenian Deputy Foreign Minister, appeared at the 51st session hearings of Human Rights Commission. Despite hard social and political conditions, he said, Armenia continues reforms with a purpose of establishing a "strong, reliable, sovereign, democratic state, where governs the law, and flourishes culture and economy."

Vardan Oskanyan called international community and all UN member states to join Armenia this year on the occasion of a memorable date, the 80-year Anniversary of Armenian Genocide by Ottoman Turkey.

After the hearings Mr. Oskanyan answered the questions of Snark correspondent in Geneva.

- You are calling international community to join Armenian nation on anniversary of mournful events, that took place in Ottoman Empire, at West Armenian lands. And how does the Government of Armenia intend to celebrate this data?

- At a state level and wide enough, may be wider than during the recent years. We appreciate its vitality, therefore a special organization committee has been established and April 24 has been officially announced a Prayer Day.

- Could you indicate the appearance of any new signs ensuring you that settlement of Karabakh conflict may be successful from the viewpoint of Karabakh population.

- I would prefer a constrained optimism in that issue, though I must observe that, after Budapest meeting, certain positive grounds for settlement had appeared. Truly, the last Moscow meeting turned out futile, since the parties tried to probe each other. However, during the up-coming meeting on Karabakh problem in Stockholm, a more constructive discussion we hope will take place.

- How will the Armenian Government react, if the criticism will intensify in its address, due to violation of human rights and political freedoms, as well as persecution of non-governmental and law-protecting organizations, took place?

- We do not think that these violations have really taken place. Judgement on this account may be drawn only after accurate investigation.

- Impression is created that the United States intend to play a more important role in Armenian affairs. What could that interest mean?

- I wouldn't say, that the United States wants to play a more important role in Armenian internal affairs. They reveal interest in resolution of certain situations in the region, and affect in positive sense by trying to attain a balanced situation. The United States is engaged in this activity already two years, and I think they currently play a constructive role.

Russian General Discusses CIS Air Defense System

LD0303131095 Moscow INTERFAX in English 1123 GMT 3 Mar 95

[FBIS Transcribed Text] YEREVAN, Mar 3 (Interfax)—Armenian President Levon Ter-Petrosyan and Chairman of the CIS Air Defense Committee, Air Force Colonel-General Viktor Prudnikov discussed in Yerevan last night the implementation of the agreement aimed at creating a unified CIS air defense system. The agreement was signed at the CIS summit in Almaty in February.

Prudnikov told journalists after the meeting that his visit to Yerevan is "for acquaintance and consultative purposes". He expressed hope that the contacts with Armenia in the area of air defenses "will be conducted on a mutually advantageous basis".

"Armenia is interested in creating a mobile and efficient air defense system," a senior official of the Armenian Defense Ministry told Interfax.

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Collaboration Alleged Between KGB, ARF

NC0403233495 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0902 GMT 4 Mar 95

[FBIS Transcribed Text] Yerevan ("RESPUBLICA ARMENIA" daily), 03/04/95—A photocopy of a secret report of the Armenian KGB chief V. Badaliants to First Secretary of the Communist Party of Armenia S. Harutyunyan was published in "RESPUBLICA ARMENIA" [RA] daily today.

"RA" reports this is first official document ever published, confirming collaboration between the Dashnak party [Armenian Revolutionary Federation, ARF] and the secret services of the former Soviet Union. The document shows that, in coordination with party leader of Armenia and with the sanctions of the USSR KGB, head of the Dashnaktsutyun bureau G. Marukhyan and member of bureau G. Tonapetyan worked for creation of political influence in the interests of USSR.

The document brings light to the results of this work:

1) Sharing completely the main topics of the September plenary session of the Communist Party of Armenia Central Board (CPA CB), Dashnaktsutyun decided to support "practical measures of the Soviet leaders and CPA CB for the resolution of the problem of Nagorno-Karabakh Autonomous Region".

2) Dashnaktsutyun refused to support Karabakh liberation movement, "condemning any forms of extremism in approaches to resolution of the Nagorno-Karabakh problem and considering that the success of perestroyka in USSR will create new perspectives for political resolution of the problem". Dashnaktsutyun also promised to take measures "for localization and break down of anti-Soviet activities by extradited from the USSR Paruyr Hayrikyan".

3) "Leaders of Dashnaktsutyun condemn the appeals for withdrawal of Armenia from USSR, considering Armenian SSR as the only existing real form of the Armenian state."

Bagratyan Visits Stepanakert, Meets Kocharyan

NC0303221295 Yerevan NOYAN TAPAN in English 1639 GMT 3 Mar 95

[FBIS Transcribed Text] 03/03/95 NOYAN TAPAN—Armenia's governmental delegation headed by Prime Minister Grant Bagratyan arrived in Stepanakert. At the Stepanakert airport the members of the delegation were met by the Karabakh President Robert Kocharyan, Acting Speaker of the Karabakh Supreme Council Karen Baburyan, the Head of the Karabakh Government Leonard Petrosyan and other officials. The main goal of the visit is to assist the Government of MKR [Republic of Mountainous Karabakh] in implementation of economic reforms in Mountainous Karabakh. On March 3 the high guests and MKR's leadership went to Askeran region to inspect some facilities of the region. They also participated in wreath-laying ceremony, which took place at the memorial in commemoration of killed Karabakh soldiers and thereafter visited the Stepanakert Electrotechnic Factory.

On the same day Grant Bagratyan was received by the Karabakh President Robert Kocharian. The two discussed issues concerning economic reforms being implemented in Mountainous Karabakh, integration of economies of the two republics as well as other issues of mutual concern.

Stepanakert Airport Resumes Operations

NC0503110995 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0816 GMT 2 Mar 95

[FBIS Transcribed Text] Stepanakert ("Azg" daily), 03/02/95—After a four years break, operation of the Stepanakert airport will resume again.

Operation of the airport was stopped because of the blockade and intensive shellings and bombings of Azerbaijan in 1991.

Vice Prime Minister of the RMK [Republic of Mountainous Karabakh] Yu. Ghazaryan said that an agreement was reached between the government of the republic and "Ararat" daughter company of "Armenian airlines" company of RA [Republic of Armenia] Civil Aviation Department on February 28, about restoring air communications of the Republic of Mountainous Karabakh with the rest of the world. Based on the agreement, Stepanakert-Yerevan and Stepanakert-Minvody regular air routs will start to operate soon. Mr. Ghazaryan said that there will be two flights per week in the initial period.

Karabakh Owes Armenia for Electricity Used

NC0503111095 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0816 GMT 2 Mar 95

[FBIS Transcribed Text] Stepanakert ("Azg" daily), 03/02/95—A consultation was carried out in the RMK [Republic of Mountainous Karabakh] Government on February 28, dedicated to distribution of electric power and regulation of its usage.

Chairman of the RMK Power Network Slava Gabrielian reported that their department owes Armenia 46 mln. drams, whereas their users owe them 78 mln. drams. This problem has become an obstacle to importing power from Armenia and distributing it to the population.

Gas Pipeline Blast Stops Electricity Supply

LD0303154895 Moscow INTERFAX in English 1425 GMT 3 Mar 95

[FBIS Transcribed Text] YEREVAN, Mar 3 (Interfax)—Electricity supply to Armenia has terminated following a blast early Friday [3 March] on the gas pipeline crossing

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Georgia. Smaller local electricity stations have been supplying electricity for short spells.

Armenia's Ministry for Emergencies claims that the explosion was the work of Azerbaijani terrorists and was the third such terrorist act on the gas pipeline through Georgia. A team of repairmen is reported to be on its way to Georgia from Armenia.

Women's Organizations Discuss Role in Politics

NC0403060495 Yerevan NOYAN TAPAN in English 1132 GMT 3 Mar 95

[FBIS Transcribed Text] 03/03/95 NOYAN TAPAN—"Women, who constitute 52 percent of the population, this time must gain the right for their problems to be heard in ruling circles. It is possible if the candidatures of women equal to the men by their professional training will be nominated for the forthcoming elections", stated the representatives of the Council of co-Chairwomen of the Armenian woman's public organizations (the public and political organization "Women of the Armenian Land", the regional department "Union of Armenian Help" in Armenia, the "Union of Armenian Women", the public and political benevolent organization "Parents of the Armenian Soldiers", the Republican Council of Armenian Women, the traditional and democratic Union "Haikandukht", the international scientific and cultural Union "Intellectual Women of Armenia").

According to the Chairwoman of the Republican Council of Women Nora Hakobian, 47 percent of working population and 64 percent of unemployed in the Republic are women. They are deprived of all ruling positions of Ministries and the functioning Supreme Council's commissions (excluding the Ministries of Finance and Construction).

"The latter-day pseudo-democrats want us to be contented with the equality of men and women, while we need a real equality but not only the words", Hakobian stated. The organizers of the press-conference underlined that the world progress is secured by the joint efforts of both sides, while in Armenia, basically, the "men's" Parliament, the "men's" Parties and the "men's" Government are confirmed.

Hakobian pointed out that there is no point concerning the problems of women in the elaborating constitution and the possibility of women's participation in the elections are limited by one more bill "On Public Organizations", according to which, only Parties can nominate their candidatures.

They emphasized the necessity of their representative to participate in the work of the establishing Central Electoral Commission.

Chiefly, the heads of the public organizations of women have intentions to represent all women's organizations in one separate bloc during the elections, despite the existing opinion that the Armenian community is not ready for this at this stage.

"We are convinced that our problems can not be resolved without our participation. The history exercised us to prevent that someone exploit women's vote to suit his own ends", the Head of the Regional Department of the Union of Armenian Help Alvard Petrosian stated.

Opposition Rally in Yerevan Attracts 50,000

LD0303203995 Moscow INTERFAX in English 1841 GMT 3 Mar 95

[FBIS Transcribed Text] YEREVAN, Mar 3 (Interfax)—About 50,000 people took part in a rally organized by the opposition in Yerevan today.

Demonstrators said they seek the immediate resignation of Armenian President Levon Ter-Petrosyan and the Armenian cabinet.

The opposition proposed that a coalition government of national accord be formed until the Constitution was adopted and the government was established, following parliamentary elections to take place on July 5, 1995.

After the rally some participants headed for the residency of the Armenian president and transferred to the president's apparatus a petition demanding that Levon Ter-Petrosyan resign.

Newsmen End Sit-Down Protest at Palace

NC0303220295 Yerevan SNARK in English 1519 GMT 3 Mar 95

[FBIS Transcribed Text] Yerevan, March 3 (SNARK)—The workers of closed down mass media sources, holding a sit-down demonstration since February 16 near the Presidential Palace, decided to end their action of protest. "Authorities chose the policy of silence in return to our demands to lift the ban on mass media activity, return confiscated property, technical means and premises, as well as to provide job to three hundred officials who remained unemployed," says their statement distributed today. However, in spite of absence of serious results, this political action was not in vain, think the demonstrators, since it found a broad response among the population and was supported by some local independent editorial offices.

The "closed down" appealed to all those worried by the fate of Armenia to join "The Union of National Consent", a block of five opposition parties, in the struggle against present authorities.

Azerbaijan

Aliyev Sends Condolensces on Listyev's Murder

LD0403205595 Moscow ITAR-TASS World Service in Russian 1505 GMT 4 Mar 95

[By ITAR-TASS correspondents Sevindzh Abdullayeva, Viktor Shulman]

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[FBIS Translated Text] Baku, 4 Mar—"The numerous fans in Azerbaijan of talented TV journalist Vladislav Listyev and myself personnally were deeply shocked by his tragic death," a telegram sent by Geydar Aliyev, president of Azerbaijan, to the workforce of the Ostankino television company today, says.

"All of Vladislav Listyev's work invariably evoked great interest and respect by its humanity, integrity, and sincerity. He will remain in our memory as the symbol of innovation and the symbol of the new democracy in Russia," the telegram from the head of the Azerbaijan state said. He also asked that his sincere condolences be conveyed to the family of Vladislav Listyev and to those close to him.

Armenian Premier, Delegation Arrive in Nagorno-Karabakh

LD0303162395 Moscow INTERFAX in English 1425 GMT 3 Mar 95

[FBIS Transcribed Text] STEPANAKERT, Mar 3 (Interfax)—The Armenian government delegation led by Prime Minister Grant Bagratyan arrived in Stepanakert Friday [3 March].

Under discussion with leaders of Nagorno-Karabakh are expected to be issues of the economic cooperation of both republics with regard to the economic reforms which started in Nagorno-Karabakh.

"Our task," Bagratyan told Interfax, "is to study on site the state of affairs and offer the Nagorno-Karabakh authorities assistance in implementing serious programs worked out by the Nagorno-Karabakh government, the programs aimed at economic reform, the development of production infrastructure and the social sphere."

On the same day Bagratyan met with Karabakh President Robert Kocharyan.

Gasanov Ready To Negotiate With Armenia on Karabakh

NC0403215595 Baku TURAN in English 2005 GMT 3 Mar 95

[FBIS Transcribed Text] Baku (March 3) TURAN—"Azerbaijan is ready to negotiate with Armenia to settle the Karabakh conflict", Azerbaijan's Foreign Minister, Gasan Gasanov told TURAN's correspondent commenting on the U.S. proposal to conduct direct talks between Baku and Yerevan. He mentioned that up to now the basic obstacle to such dialogue was Yerevan's intention to achieve the status for the Armenian Community of Nagorno-Karabakh as the equal party to the talks. "Neither we nor the world community can accept this condition and recognize Nagorno-Karabakh as the independent party", Azeri Foreign Minister said. Gasan Gasanov mentioned that the form of contacts for Baku never was the obstacle for the dialogue. "We are ready to conduct direct and indirect and even the talks with mediators", Foreign Minister Gasanov says.

Asked whether representative of the U.S. Department of State. Joe Pressel, proposed any formula concerning Shusha and Lachin, Gasan Gasanov said that "America does not have its own proposals on this issue". Azeri Foreign Minister said that being in Armenia Joe Pressel will try to explain advisability of the Azeri proposals concerning Shusha and Lachin.

Aliyev Chairs State-Sponsored Ramadan Celebration

NC0303153895 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 3 Mar 95

[FBIS Translated Text] Our republic's President Geydar Aliyev has been taking part in a ceremony today in Gulustan Palace on the occasion of the Holy Ramadan holiday. Ramiz Meshedihesenli reports:

[Meshedihesenli] First, prayers were said in memory of those who died for the independence, sovereignty, and territorial integrity of Azerbaijan.

Speaking at the ceremony, Sheikh-ul-Islam Allahshukur Pashazade, chairman of the Supreme Religious Council of the Caucasian Muslims, noted that this is the first time that this ceremony has been organized at the state level, and he wished security, peace, and health to our people.

Next, the participants thanked President Geydar Aliyev for the charity event organized by the state.

In his address, Geydar Aliyev greeted our people on the occasion of the Ramadan holiday, which is one of the holidays of the world's Muslims, and expressed the hope our people will soon return to a prosperous life. He stressed the need to mobilize forces for the future of independent Azerbaijan and the welfare of our people.

Next, the head of state met with the elders, young persons, children and parents. He showed interest in their problems and issued instructions on the spot to the relevant organs.

In addition to the president, Chairman of the Supreme Soviet Rasul Guliyev, Acting Prime Minister Fuad Guliyev, and other officials also took part in this ceremony.

Oil, Gas Output Increases After Slump in 1994

LD0303130995 Moscow INTERFAX in English 1123 GMT 3 Mar 95

[FBIS Transcribed Text] BAKU, Mar 3, (PIA-Interfax)—After signing a major agreement with a consortium of foreign companies to develop Caspian shelf deposits last year, Azerbaijan has since the start of 1995 increased its off shore crude extraction.

Over the last two months, GNKAR, Azerbaijan's state-owned oil company, has extracted more than 1.5 million [metric] tonnes of oil or almost 101% of last year's

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output. As the company has told Interfax's Petroleum Information Agency, February saw the extraction of up to 732,000 tonnes of crude.

The bulk of oil in January-February 1995 came from offshore fields—more than 1.27 million tonnes, including more than 602,000 tonnes in February.

The republic has boosted gas extraction: over the past two months, it has put out 1064 million cubic meters of gas (105%), including a bit over 505 million cubic meters in February. Gas was extracted mainly at off shore deposits: more than 1022 million cubic meters since the start of the year, over 485 million cubic meters in February.

In the meantime, throughout 1994, fuel production in Azerbaijan declined. Last year, GNKAR produced over 9.6 million tonnes of oil and more than 6378 million cubic meters of gas, which was over 92% of the oil and more than 94% of the gas output in 1993.

Reorganization Ordered of AZERTAC News Agency

NC0303145195 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 3 Mar 95

[Decree by the president on the reorganization of the Azerbaijan Telegraph Agency, AZERTAC—read by announcer]

[FBIS Translated Text] In order to make more efficient use of the means at the disposal of AZERTAC for the speedier transmission of state-level official news to the people and the broader international dissemination of objective information on Azerbaijan, I decide:

1. A State Telegraph Agency will be established under the Azerbaijan Republic Council of Ministers on the basis of Azerbaycan Telegraf Acentligi [Azerbaijan Telegraph Agency], AZERTAC, and its traditional name AZERTAC will be preserved.

2. The financing of AZERTAC from the state budget as of 1 January 1995 will be ensured.

3. The Council of Ministers will be instructed to implement the necessary measures to bring AZERTAC's material and technical base in line with modern demands and enable it to operate at the level of world standards.

4. The Azerbaijan Republic Council of Minister will resolve other matters arising from this decree.

[Signed] President of Azerbaijan Republic Geydar Aliyev, Baku, 3 March 1995.

Publisher: Press Being Stifled Economically

NC0403214795 Baku TURAN in English 2005 GMT 3 Mar 95

[FBIS Transcribed Text] Baku (March 3) TURAN—On the eve in the head-quarter of the Social-Democratic Party a round-table talk took place with the participation of the Azerbaijan's mass media on the subject "Speech freedom in Azerbaijan."

The meeting was opened by the Editor-in-Chief of "ISTIGLAL" newspaper Zardusht Alizade who said "that failing to find the legal way to suppress the activity of the oppositional and the independent newspapers the authorities decide to suppress them economically."

According to him the prices in "Azerbaijan" publishing house, where the most newspapers are printed, exceed the world prices by 3-4 times. "The price per ton of paper for newspaper costs in the USA $250, in Baku—$740. The metal price at world markets is $5 and in Baku—$23-25," noted Alizade. In September 1994 the price for the services in the "Azerbaijan" publishing house for the one issue was $82 and now the publishing house demands $178, said Alizade.

According to him the debt of the publishing house of Supreme Council of "AZERBAIJAN" newspaper total no less than 100 million manats, and there is a trouble-free issue. "The government is printing its newspaper on the account of robbering the oppositional and independent newspapers," said Alizade.

The political censorship does what the editorial office fails to do. According to him the censorship takes out any articles which the government does not want to be published. "There is not a political censorship in Azerbaijan legally, but in fact it exists and with its help the authorities control all mass media," said Alizade.

The Editor-in-Chief of "FEMIDA" Adil Minbashiyev said that his newspaper had published a numerous materials about the corruption in the system of the Health Ministry, "we did not receive any claims, but they had stopped to publish our materials." He noted that most of the officials admitted that "FEMIDA" had suffered for the critics of the Health Minister Ali Insanov.

According to Alizade on March 18 the "round table" of the political parties, uniting 22 parties, will make a statement due to facts of suppress the speech freedom in Azerbaijan.

Journalist, Musavat Party Activist Detained

NC0403201295 Baku TURAN in English 2012 GMT 3 Mar 95

[FBIS Transcribed Text] Baku (March 3) TURAN—Early today the group of people, who named themselves as the employees of the Ministry of National Security (MNS) came to the flat of the "ANI" Agency's correspondent and searched his flat. After that they took Ayaz Ahmedov with them, according to press-service of Musavat Party.

During the search the employees of the MNS confiscated the computer disks and three issues of "CHESHMA" newspaper. According to the Head of ANI Bureau in

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Baku Jovdet Jafarov the search was conducted without the sanction of the Prosecutor. Responding the enquire concerning the reasons of the detain of Ayaz Ahmedov the MNS said that they had no information on his detain.

The press-centre of Musavat Party says that today in the morning the head of Sabail Branch of the Party Asker Ahmed was also detained and there was a search in his flat too. The people who came to his flat did not present the sanction of the Prosecutor and said they were the employees of the MNS, Musavat's press-centre reports.

Georgia

Moscow Talks End in Agreement; Abkhaz Envoy Comments

LD0303181495 Moscow INTERFAX in English 1611 GMT 3 Mar 95

[FBIS Transcribed Text] Moscow, Mar 3 (INTERFAX)—Georgian and Abkhaz experts have ended talks in Moscow on Friday [3 March] by defining the devolution of power between Tbilisi and Sukhumi while forming a federal state.

Abkhazia's envoy in Moscow Igor Akhba told Interfax that the two sides had reached agreement that a would-be treaty would vest Tbilisi with powers on decision making on crucial issues. These include foreign policy and economic matters, border and customs controls, federal budget, energy, transport and communications, environment, human and minority rights, meteorology and the anti-epidemic service.

Akhba reiterated Sukhumi's position saying the new federal state is to be set up by two equal entities.

However, the question of where exactly the new legislature and government will sit was not on the agenda, he said.

Akhba said the two sides are due to meet again in a week or so.

Russia, Georgia Discuss Common Air Defense System

LD0403150095 Moscow ITAR-TASS in English 1442 GMT 4 Mar 95

[By unidentified GIA-TASS correspondent]

[FBIS Transcribed Text] Tbilisi March 4 TASS—Georgian leader Eduard Shevardnadze met with Russian Air Defence Troops Commander Colonel-General Viktor Prudnikov in Tbilisi on Saturday [4 March] to discuss issues related to the establishment of a common air-defence system in the Commonwealth of Independent States.

Shevardnadze and Prudnikov agreed to set up a joint group of experts to examine Georgia's air-defence system and establish a coordinating committee.

The committee, which will include representatives of Georgia and Russia, will work out a plan of action.

Prudnikov is in Georgia on a working visit.

Russian Troops Express 'Concern' at MP's Threats

LD0403150995 Tbilisi IBERIA in Georgian 1300 GMT 4 Mar 95

[FBIS Translated Text] Tbilisi, 4 Mar—The command of the Russian troops deployed in Georgia has sent a letter to Eduard Shevardnadze, the chairman of the Georgian Parliament and head of state expressing serious concern over extremist statements by Boris Kakubava, the chairman of the Organization for the Liberation of Abkhazia and member of the Georgian Parliament.

As is known, in an interview with the Russian television company NTV, Kakubava said that in the next few days his organization would start a terror campaign against Russian servicemen.

The command of the Russian troops deployed in Georgia believes that the Georgian head of state and law enforcement bodies would do everything to prevent provocations against the Russian troops.

Shevardnadze Attends Meeting on Mkhedrioni Attack

LD0403193995 Tbilisi Radio Tbilisi Network in Georgian 1800 GMT 4 Mar 95

[FBIS Translated Text] In connection with the incident of 3 March, representatives of the Rustavi authorities and the public met in Rustavi today. The meeting was attended by Georgian Head of State Eduard Shevardnadze, Igor Giorgadze, head of the Security Service; Minister of Internal Affairs Shota Kviraia, and Prosecutor-General Jamlet Babilashvili.

As is known, on 3 March up to 200 people, who were armed to the teeth, broke into the Rustavi mayor's office. They were led by Giga Gelashvili, the chairman of the Georgian Rescue Corps [Mkhedrioni]. After breaking into the building, the armed men shot and wounded a security guard and attacked Levan Mamaladze, the head of state's authorized representative in Kvemo Kartli Province.

This incident came as a reaction to measures to restore law and order in Kvemo Kartli Province, in particular an operation carried out on 2 March during which areas adjacent to Tsiteli Bridge and the Kvemo Kartli highway were cleansed of bandit gangs. The operation poses a real threat to one of the main arteries for drugs business and trafficking.

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All masks have now been thrown off. In contrast with other terrorist acts carried out in Georgia, the latest attack was marked by its extreme cynicism. Its organizers did not even attempt to hide their identity.

Everyone should understand that there is no room for compromise any more. Either order is restored to the country or all of us should relinquish our human dignity.

The meeting was summed up by Head of State Eduard Shevardnadze. He spoke in harsh terms about the incident and issued appropriate instructions to the heads of administrative bodies.

Green Party To Boycott Elections Over Mamladze Attack

LD0403143895 Tbilisi Radio Tbilisi Network in Georgian 1210 GMT 4 Mar 95

[FBIS Translated Excerpt] The Georgian Green Party held a special conference in Tbilisi today. Due to the serious crime situation in the country and the failure of the work by the Greens' parliamentary faction and relevant (?environmental) commission to yield results, it was decided that the Georgian Greens will not take part in the upcoming parliamentary elections. [passage omitted]

The pretext for this decision by the Greens was an incident that took place in Rustavi yesterday.

As reported earlier, the day before yesterday armed persons broke into the office of Levan Mamaladze, the head of state's authorized representative in the Kvemo Kartli Province. These persons have not been identified so far. However, it has been suggested that they are members of the Mkhedrioni. They physically abused Mamaladze's bodyguards and then Levan Mamaladze himself.

Mamaladze is an active member of the Green Party and the Citizens' Union. [passage omitted]

Shevardnadze Hails 25th Anniversary of NPT

LD0503150895 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 5 Mar 95

[FBIS Translated Text] Here is a statement made by Georgian Head of State Eduard Shevardnadze:

Twenty-five years have passed today since the Nuclear Nonproliferation Treaty [NPT] came into force. This document of unique importance, which defines mutual obligations of nuclear and nonnuclear states, has played a genuinely historic role in saving mankind from a nuclear disaster during the Cold War.

Today, although the world is getting rid of the nightmare of nuclear confrontation and mankind is beginning to advance along the new road of development, aiming to safeguard universally recognized democratic ideals, the subject of creating firm guarantees of peace and stability cannot regrettably be removed from the agenda. Aggressive separatist forces nourished on pseudo-national sentiments endeavor to accomplish their own destructive goals with the use of arms. By evoking bloody ethnic and political conflicts they create a serious threat to peace in individual states and generally on our planet.

In these circumstances, to comply strictly with the rule of nuclear nonproliferation becomes a duty of the highest priority.

Georgia is firmly for continuing the effectiveness of the Nuclear Nonproliferation Treaty without any alterations or time limits. This is the most important stipulation for the final ban of nuclear arms.

I have always defended this stand and I still believe that the issue concerning the nonproliferation of nuclear arms, suspension of their tests, and the final ban on them must be settled before the end of the 20th century.

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Estonia

Luik: Details of Program for NATO Membership

LD0303181595 Tallinn Radio Tallinn Network in Estonian 1800 GMT 2 Mar 95

[FBIS Translated Text] Juri Luik, Estonian minister of foreign affairs, told a news conference today about his visit to the Hague and Brussels. Priit Ennet attended the news conference.

[Ennet] Juri Luik described his visit as another step towards strengthening Estonia's security. The main result of the visit was the approval of Estonia's individual [NATO] partnership program. The foreign minister said the program was confidential and rather technical, but he agreed to reveal some aspects.

[Begin Luik recording] Mainly, this program does not relate to direct military cooperation. First of all, it relates to training and to the introduction of common standards for equipment, including weaponry. It is related to the coordination of management: Within the framework of this program, a series of meetings of varying length is planned between NATO and Estonian military leaders. Finally, the fully military aspect: A series of joint exercises with NATO has been planned within the framework of the Partnership for Peace program. Estonia intends to participate actively in these exercises as far its possibilities allow it to do so. [end recording]

[Ennet] In Brussels Luik also met NATO ambassadors and briefed them on Estonia's positions on the expansion of NATO. The foreign minister repeated the main points of his presentation.

[Begin Luik recording] Estonia thinks that the expansion of NATO must be well thought through so the security of all these states, which are or are about to become associated members of the European Union, will be guaranteed if NATO were to expand gradually. This means that if NATO were to expand by accepting Poland or any other country, for example, significant attention should be paid at the same time to the security of other states that are not being accepted at that stage. We think this is extremely important: Otherwise, the gray zone of security, which we have spoken about so often, would arise. This threat is perfectly real and the NATO ambassadors shared the view that such a danger could arise.

The other aspect I emphasized concerned the debate between NATO and Russia. On the one hand, it is a well known and widely understood fact that NATO has to communicate with Russia, and that the expansion of NATO must be an understandable, clear, and transparent process for all Central and Eastern European states, including Russia. At the same time, the states of Central and Eastern Europe have a similar or opposite problem: The relations between NATO and Russia must be clearly understandable for them. They have to know in detail what NATO and Russia agree upon between themselves because they do not like unpleasant surprises, either. [end recording]

Economic Policy Draft Memorandum Sent to IMF

LD0303210495 Moscow INTERFAX in English 1841 GMT 3 Mar 95

[FBIS Transcribed Text] Tallinn, Mar 3 (FIA-INTERFAX)—Estonian Premier Andres Tarand and President of the Bank of Estonia Siim Kallas sent to the IMF Managing Director Michel Camdessus a draft memorandum on Estonia's economic policy from January 1, 1995 through March 30, 1996.

The Estonian Government Press Secretary Ain Saarna told a news conference today that the memorandum contained measures for developing the country's economy and bringing down inflation. The memorandum set the limits for currency reserves of the Bank of Estonia, gives state budget balance and sets the maximum limits of redistributed state foreign credits.

The draft memorandum said that the government and the Bank of Estonia were resolved to continue the financial policy aimed at balancing the budget, to continue the current emission and currency policies, liberal foreign trade, the liberal tax policy and acceleration of the reforms in the financial sector.

The IMF Managing Council is expected to consider the draft cooperation program within a month. If the draft is approved a credit line of 240 million krones (13.95 SDR) [special drawing rights] will be opened for Estonia. The SDR exchange rate is now 17.4 krones.

The present memorandum is the third of its kind. The first one was adopted for the period from July 1, 1992 through June 30, 1993 and opened a credit line of 27.9 million SDR.

The second memorandum (from July 1, 1993 through December 31, 1994) opened a credit line of 34.9 million SDR.

UK Defense Official Meets Military Leaders

LD0303230495 Tallinn Radio Tallinn Network in Estonian 1800 GMT 3 Mar 95

[FBIS Translated Text] [Announcer] Admiral Sir Jock Slater, British deputy chief of defense staff, completed his visit to Estonia today. He met Major General Aleksander Einseln, commander of the defense forces, and other high-ranking officers of the defense forces. The admiral also met Defense Minister Enn Tupp. Sir Jock Slater visited Paldiski today, where he learned about the future training center for Estonian serviceman, and about a nuclear installation. Eerik Samel reports:

[Samel] Britain has paid quite a lot of attention to assisting the Baltic defense forces. In October 1994,

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British and Estonian representatives signed a memorandum on defense cooperation between the two countries, and British assistance in organizing Estonia's state defense. Admiral Jock Slater said he was very satisfied with his visit to Estonia.

The Admiral regarded as important the opportunity to express support to various initiatives within the Partnership for Peace program.

The meeting with Major General Einseln focused on the training of the Baltic peacekeeping battalion. In Latvia, British Royal Marines are currently helping to train the battalion. Several other cooperation programs are in the pipeline, including assistance to restructuring Estonia's armed forces, and to teach English.

This morning the Admiral paid an interesting visit to Paldiski. Sir Jock Slater thinks it is a very good plan to set up a training centre for Estonian servicemen there. At the Paldiski nuclear installation, Sir Jock Slater met Admiral Aleksandr Olkhovikov, the Russian representative at the installation. Olkhovikov briefed the British official on the progress of the dismantling work at the nuclear installation. The Russian admiral also mentioned that this was the first time he had met a British naval officer.

Britain's military assistance to Estonia is not limited to training and language teaching. It also includes helping Estonian civil servants. Here is Major General Aleksander Einseln.

[Begin Einseln recording] Currently our state organization has no civil servants who understand how to draw up a state budget. They know how to do it as it has been done for the last 50 years—like a five-year plan in Stalin's times. Britain is to send specialist to help with reorgnanization to ensure things are done properly. [end recording]

Reportage on Parliamentary Elections Held 5 Mar

Preliminary Returns Show KMU Victory

WS0603090995 Tallinn ETA in English 2253 GMT 5 Mar 95

["News Release"]

[FBIS Transcribed Text] According to preliminary data Estonia's parliamentary elections on Sunday [5 March] were won by centrist Coalition Party and Rural Union election union [KMU] with a third (32.6 per cent) of all votes given.

The preliminary data provided by the State Election Committee (at 00:37 [2237 GMT] on Monday) would give 42 seats in the 101-seat Riigikogu [parliament] to the union led by ex-premier Tiit Vahi and former leader of ESSR Supreme Soviet Arnold Ruutel.

Reform Party, led by central bank governor Siim Kallas, had the backing of 16.4 per cent of voters and would get 19 seats in the parliament, Centrist Party 14.2 per cent and 16 seats, Pro Patria and ERSP [expansion unknown] union, the former leading coalition, 7.1 per cent and 7 seats, Moderates 6.0 per cent and 6 seats, leading Russian party Our Home is Estonia 5.9 per cent and 6 seats, and Right-wingers 5.1 per cent and 5 seats.

Other parties and election unions did not, according to these figures, pass the five per cent vote level needed for access to the parliament.

499,733 people or 64,76 per cent of people entitled to vote cast their votes on Sunday according to preliminary data.

State Election Committee members stressed that this data is not by far final but is an approximate picture on how the seats in the parliament would be divided. The final results, which have to take into account candidates who get to the parliament with direct vote and voting in the 19 polling stations outside Estonia, will be announced only on March 9 or 10, the Committee said.

Leader of the KMU Tiit Vahi said that the union will start in the nearest days talks to form a coalition with Reform Party, Right-wingers and Conservatives Party and also with Centre Party. The schedule of the talks will be determined on Monday, he added.

"Estonia needs a right-wing government" Vahi said, adding that the KMU took as its example post-war Germany and social market economy. Vahi said that the land reform which has created the difficulties in rural areas needed to be sped up and a securities market to be created. During the rule of Vahi, an interim Prime Minister in 1992, Estonia's currency—the kroon was introduced, Estonian Constitution adopted and the parliament—Riigikogu elected.

Despite fears that the wide-based party that represents interests of very different people will not carry on together in the parliament, Vahi said that the election union KMU intends to continue together until the new elections in four years. "We have achieved a good result and are ready for responsibility to fulfill our promises," Arnold Ruutel said.

The Coalition Party and Rural Union election union was founded in December 1994 and it consists of Coalition Party, Pensioners' and Families League, Estonian Country People's Party and Farmers Assembly.

Election results indicate that the opposition has achieved a revanche, deputy chairman of Centre Party Tiit Made told a press conference at midnight. He added that the "time of Brezhnev's kids" as the previous leaders of the parliament could be called, is over for a time being and in politics and governing the state a certain experience is valued. The composer of the next government would act wisely if it took Centre Party into the government for Centre Party in opposition will be dangerous, Made, known for his colourful speech, said.

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Leader of the Reform Party Siim Kallas told a press conference that cooperation with the leading party should not be ruled out but that the party was also ready to remain in opposition.

Present Prime Minister Andres Tarand, leader of the Moderates election list, commented upon the results, saying that the big election victory of KMU was not appropriate for Estonia, adding that the results should have been 25 per cent not over 30 for this made one union too strong from the point of view of democracy. As to the results of his own party Tarand said that "this could not be called success". Tarand noted that the present situation would not enable him to comment on a possible offer by the winning party to him or Moderates but added that the attitude of Moderates could have an important role in certain situations.

Ruling Coalition Wins 7 Seats

LD0603084995 Moscow ITAR-TASS in English 0722 GMT 6 Mar 95

[By ITAR-TASS correspondent Albert Maloveryan]

[FBIS Transcribed Text] Tallinn March 6 TASS—The present ruling coalition—the bloc of the Isamaa Party and the Estonian Party of National Independence led by Mart Laar—has won only seven seats in the 101-member parliament. This is almost the same as the number gained by the Russian-speaking "Our Home is Estonia" alliance which has six seats for the time being. This victory for Russian-speaking people is unprecedented in the latest history of the republic.

According to preliminary results, a total of 499,733 people went to the polls or about 70 percent of the electorate.

The distribution of seats among political parties is as follows: The coalition Party and the Rural People's Union led by Estonian Parliament ex-speaker Arnold Ruutel and former Estonian premier Tiit Vaehi received 42 seats, the Reform Party led by Central Bank Governor Siim Kallas—19 seats.

They are trailed by the Centrist Party of Edgar Savisaar, ex-leader of the Estonian People's Front and the present parliament speaker, with 16 seats. The bloc of moderates won six and the right-wing bloc—five seats.

Ballot counting continues.

Right Wingers 'Confident' of Having Say

WS0603094995 Tallinn BNS in English 0031 GMT 6 Mar 95

[FBIS Transcribed Text] Tallinn, Mar 5, BNS—Speakers from the Right Wingers (Republican and Conservative People's Party) at a press conference after the voting ended on Sunday said the party was confident to have a say in the new parliament.

Speaking about possible cooperation partners, the head of the party, Karin Jaani, said the Right Wingers kept doors open to cooperation with all partners. But she mentioned it would be most difficult to find a common ground with the Center Party.

"It's difficult to name any party at this stage with whom the Right-Wingers would refuse to work closely at any conditions," Jaani said.

She said there were no major differences between the positions of the parties placed to the right of the center. "Going to the elections with separate lists was mainly due to pragmatic reasons—to get more votes for the right wing. I think that in the course of time, those parties will move closer to each other and I don't rule out the possibility that one day they will join," Jaani said.

Tarand: No 'Abrupt Turns'

WS0603094795 Tallinn ETA in English 1233 GMT 5 Mar 95

["News Release"]

[FBIS Transcribed Text] The Sunday parliamentary elections will give Estonia no big majority coalition, the present Prime Minister Andres Tarand told ETA on Sunday.

"In the Saturday TV dispute (state ETV channel programme where Prime Minister candidates of all parties and election unions took place - ed.) the readiness for cooperation seemed to be over-high, higher than the real possibilities are," Tarand said. Political powers do not wish to rule out possible negotiations at the last minute but in reality nothing is yet solved, Tarand said.

Tarand added that everything depended on the amount of votes the Coalition Party and Rural Union election union (KMU), leading according to polls, would gather and whether they need one or two partners for governing. Tarand noted that in case KMU needed more than two possible partners, talks between political powers would become complicated.

Tarand said that he will certainly participate at the beginning of talks for composing a new government but as to his own future, all depended on the success of different political powers—how many votes one or another election union or party would gather. At the same time he did not rule out his candidature as a possible Prime Minister in case similar conflicts as in autumn 1994, when he came to power as a compromise candidate, continued.

Tarand said that the new Riigikogu [parliament] would certainly bring changes in Estonia's political life but not in the form of "abrupt turns" but in change of certain directions. Very much depend on the relation of different positions inside KMU which is not composed of people sharing the same views and this factor will determine whether the economic reforms will be carried

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on or a prerequisite will be created to turn back from the present development path, he added.

Tarand said that for Estonia it would be more useful if one certain group would lead the state and not a coalition of wide powers for Estonia is still too young and developing state for this.

Meri: Reforms To Continue

LD0503182295 Moscow ITAR-TASS in English 1801 GMT 5 Mar 95

[By ITAR-TASS correspondent Albert Maloveryan]

[FBIS Transcribed Text] Tallinn January 5—Democratic reforms in Estonia are irreversible and they will continue after today's parliamentary elections, Estonian President Lennart Meri said.

Meeting journalists at one of the polling stations in Tallinn, Meri confirmed his confidence in the future of democratic transformations in the country.

He refused to say for what party he voted. Speaking about potential candidates to a new government, Meri said that the Cabinet of Ministers will be headed by a person who can continue democratic changes better than others.

Asked about his pre-election call urging people to vote for representatives of large election blocs, the president said that he did not have any intention to make voters believe that he was calling for the return of the communist nomenclature to power in Estonia.

Meri did not deny that there is a "nutrient medium for the restoration of Soviet order" in Estonia of today. However, he did not make any direct connection between the existence of such a medium and ethnic Russians living in the country.

Latvia

UK Defense Official on Military Aid for Baltics

LD0303145995 Riga Radio Riga Network in Latvian 1000 GMT 3 Mar 95

[FBIS Translated Text] [Announcer] In the Lunchtime program today we are going to talk about various kinds of aid to be provided to Latvia. Quite specifically we can already talk about the aid to be expected from abroad for the Defense Ministry. An hour ago at the Defense Ministry a news conference was given by Admiral Sir Jock Slater, vice chief of the British Defense Staff. He told journalists about Britain's aid being arranged for the Baltic countries' military structures. We have a tape recording:

[Begin recording] [Slater in English with superimposed Latvian translation] My first visit to central and eastern Europe is to the Baltic countries. This is no coincidence, as Great Britain is one of the greatest supporters of security in these countries. We are following Baltic relations with Russia as they are ratified in interstate treaties. We hope that soon the issue of the removal of the remaining military personnel from Latvia will be resolved. The United Kingdom undertakes to assist the Baltic countries with military information and in creating the budget, as well as arranging a unified air-space monitoring system. [end recording]

[Announcer] What Admiral Jock Slater said was interpreted by my colleague, journalist Ainars Asaks. Latvian Defense Minister Janis Arveds Trapans noted that cooperation with Great Britain also has quite far-reaching aims.

[Begin recording] [Trapans] The talks were mostly about what we were (?doing) last October when we were visited by British Defense Minister Malcolm Rifkind. The talks likewise dealt with very specific matters: what we can expect and what (?will be) proposed during his visit. We talked extensively about the International Defense Advisory Group led by General Sir Garry Johnson, which is starting its work here, its first work being in Riga from 8 to (?11) March, with activities in Latvia, Lithuania, and Estonia. At the first session, taking place here at the beginning of March, there will be (?nine) extremely high-ranking former soldiers from the (?Air Force and other services) from Great Britain, the Scandinavian countries, Finland, Germany, and (?further afield), who will be helping the Baltic countries organize our new defense forces and also our [word indistinct]. [end recording]

Minister Links 'Slander Campaign' to Criminals

LD0303180995 Riga Radio Riga Network in Latvian 1600 GMT 3 Mar 95

[FBIS Translated Text] The slander campaign directed against Internal Affairs Minister Janis Adamsons unequivocally proves that specific persons have an interest in bringing about the replacement or resignation of the minister, a statement from the Ministry's press center says. The ministry is aware of those circles and specific individuals—whose names will be made public in the near future—the statement says.

Normunds Belskis, head of the press center, explained that these persons are (?seen) by the ministry to be those facing criminal charges that have been levied in connection with the illegalities at Lainbanka, LatInternational, and with other economic crimes. Belskis explained that what is meant by a slander campaign is the publications in the press and several one-sided television broadcasts on the subject in which the accused businessmen are reflected only by positive images but police officers are unjustly slandered.

Lithuania

Brazauskas Comments on Results of Israel Visit

LD0303151995 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 3 Mar 95

[FBIS Translated Text] President Algirdas Brazauskas has expressed satisfaction at the results of his three-day

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visit to Israel. He stated this at a news conference in Jerusalem on 2 March, stressing that during his meetings with the Israeli president and other leaders of the state he succeeded in elucidating painful issues of the past.

We found a common language and reached the conclusion that it was not possible to allow a free and subjective interpretation of history, said Brazauskas. He stressed once again that the cases of those suspected in the genocide of the Jewish nation, if they are discovered, will be examined by courts. In the opinion of the president, Israeli experts, could also participate in the examination of contentious cases; even a joint commission could be established. But such a commission may only have the right to submit proposals to legal institutions, and decisions may be taken only after the examination of cases in courts, reports the newspaper LIETUVOS RYTAS, quoting Algirdas Brazauskas.

Prime Minister Advocates Land Sale to Foreigners

WS0303154195 Tallinn BNS in English 1000 GMT 03 Mar 95

[FBIS Transcribed Text] Vilnius, Mar 03, BNS—Lithuanian Prime Minister Adolfas Slezevicius said Thursday [2 March] he hoped that the government and the parliament will compromise in creating favorable conditions for foreign investors.

"It would be logical if we followed Estonia's example and made such a decision," Slezevicius told reporters, referring to Lithuania's ban on the sale of land to foreigners, which the only such restriction in Central Europe.

Under the Lithuanian Constitution, land, inland waters, forests and parks can be belong only to Lithuanian citizens and the state.

The problem of land ownership is a major stumbling block in Lithuania's association talks with the European Union.

Slezevicius noted that the government has urged lawmakers several times to adopt a Constitutional amendment allowing foreigners to acquire land in Lithuania.

Consideration of such an amendment began in parliament last week, but some lawmakers have expressed doubt that it will adopted because of a very complicated procedure.

The premier said he expected a positive decision despite the fact that a Constitutional amendment must be approved twice by a two-thirds majority.

Slezevicius said the problem also would be discussed at his meeting Friday with the leaders of political parties.

Privatization of Two Newspapers Authorized

WS0303154295 Tallinn BNS in English 1000 GMT 03 Mar 95

[FBIS Transcribed Text] Vilnius, Mar 03, BNS—The Lithuanian Government on Wednesday authorized the privatizations of two money-losing budget-dependent newspapers.

The Russian-language daily ECHO LITVY and the Polish-Language newspaper KURIER WILENSKI are to be sold for the so called investment checks, which were granted to the population several years ago for the initial stage of state property privatization.

Both ECHO LITVY and KURIER WILENSKI were Communist Party newspapers before the restoration of Lithuanian independence in 1990.

The government also decided to establish its information center, which will be directly financed from the budget. The center's task will be to "promptly inform the public about decisions of the executive government, to popularize and explain them; to provide information in cases of emergency; to promote the creation of the image of the Lithuanian state abroad." The information center virtually began functioning several months ago as a subdivision of the state-run news agency ELTA.

Republicans Campaign for Kaliningrad Joining Country

LD0403153395 Moscow INTERFAX in English 1358 GMT 4 Mar 95

[FBIS Transcribed Text] VILNIUS, March 4 (Interfax)—Lithuania's Republican Party will campaign for the demilitarization of the Kaliningrad Region and its joining to Lithuania. The party leaders told national radio that this provision was part of their election program.

The Republican Party is also campaigning for the restoration of the Lithuanian borders as documented in the agreements with Russia and Poland in 1919-1920.

The Republican Party has no representatives in the Lithuanian parliament. Two years ago, its chairman Kazimieras Petraitis ran for the presidential post, but had to remove his candidacy because he had not collected the required number of signatures.

The official authorities have not responded to the Republican Party's statements yet.

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